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THE CREDIT WORLD

The Official Organ of the
**RETAIL CREDIT MEN'S
NATIONAL ASSOCIATION**
Incorporated



HE WISE person guards his credit as he would his honor. It is a priceless possession which once lost is seldom ever regained, and since the very foundation of credit is promptness and care in meeting one's obligations, it would seem that a failure to pay or neglect in caring for a debt when due is little short of financial suicide.

From the broad viewpoint of the community, the State or the nation, sound and adequate credit policies are the backbone of prosperity.

GEO. R. JAMES
Member Federal Reserve Board

VOLUME XV
NUMBER 5

JANUARY
1927



THE ONLY MAGAZINE IN THE WORLD

SPECIALIZING IN RETAIL CREDITS

Announcing ~

A "Better Letters" Service for Credit and Collection Men

Every day brings to your National Office inquiries for "something new" in letters: Collection letters—inactive account letters—new business-getting letters.

It is only natural that we credit men get into the habit of writing "stereotyped" letters, repeating the same old phrases over and over again. Although there are many books on the subject of letter writing, none covers specifically and effectively the subject of retail collection correspondence.

To meet this need for credit letters with a new viewpoint—letters written from the outside viewpoint—we have contracted with a writer of proven ability for a new service to be known as "The Better Letters Service."

The service, which will be sold only to members of the Retail Credit Men's National Association, consists of:

1. COLLECTION LETTERS

Six new collection letters every three months (48 letters a year.)

The six letters varying in tone to fit different needs, will be sent together at the beginning of each quarter, so that you may pick out the ones you consider most adaptable for your needs.

2. CREDIT-SALES LETTERS

Each month you will receive one new letter for use on inactive accounts and one business-getting letter to go after desirable new accounts.

3. MONTHLY "BUSINESS LETTERS BULLETIN"

Each month you will receive a helpful inspirational bulletin devoted to "Better Letters." This bulletin alone will be worth the subscription price. Each issue will be filled with brief, newsy suggestions that will help you to write better letters. No long-winded, theoretical discussions, but practical, constructive suggestions that you can put to work in your daily correspondence.

Subscription Price, \$20.00 a Year

Read that list of services over again and consider what you get for less than six cents a day! First installment ready February 15th. Order now—you can't afford to miss it.

ADDRESS:

BETTER LETTERS SERVICE

Retail Credit Men's National Association

Equitable Building, St. Louis



THE CREDIT WORLD

Official Organ of the
RETAIL CREDIT MEN'S NATIONAL ASSOCIATION

Issued Monthly

DAVID J. WOODLOCK, Editor Subscription: \$5.00 Per Year

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What of 1927?

Every magazine and trade journal reaching our desk is filled with predictions regarding 1927 business. Most of them are optimistic but many have a note of uncertainty.

Retail business was good during the year just closed, although many sections reported a falling off of collections during November and December.

There is nothing to indicate that business will not continue satisfactory for several months to come. Employment at good wages is general, no serious labor troubles are anticipated, the buying power of the public has not been reduced, and there should be no retrenching or economy movements to curtail retail sales.

Those who have heeded our constant warnings as to intelligent credit granting and respect for terms have nothing to fear from an after-holiday lull in business, which will give the credit manager an opportunity to analyze his department, get the delinquents paid up, and plan new business campaigns.

Our stand as to the use of sound credit methods in the handling of installment sales has resulted in a stabilization of that feature of retailing without reducing sales to any great extent. We are somewhat proud of the fact that in face of the great pressure that was brought to bear upon our officers to have this association go on record as opposed to all forms of installment selling, we stood firmly back of our statement issued over a year ago that installment selling was not dangerous or economically wrong if proper care was exercised in the extension of credit. We feel that our members following this advice had much to do with checking what at the time appeared a serious over-extension of installment credit.

We begin the new year with a better understanding of credit, more backbone as regards terms, and a unity of purpose which will mean increased and profitable business for the retail merchant. We urge our members to study trade conditions and keep in constant touch with the times, realizing that upon them rests the responsibility of promoting sales as well as safeguarding accounts receivable. Develop a personality that will radiate both firmness and strength, both of which come from confidence in yourself and your knowledge of the business in which you are engaged.

When the year has passed, let it be said that the Retail Credit Men's National Association as an Association, and each member as an individual, had much to do with keeping business good and finances sound.

Capital and Credit

The Relation of the Retail Distributor to Banking

By W. J. DUGGAN, St. Louis

Mr. W. J. Duggan is a credit and banking analyst of wide experience, a former executive of the Mercantile Trust Company, St. Louis, and has had years of practical experience in handling commercial credits.

Mr. Duggan has memorialized President Coolidge, Treasurer Mellon, the Federal Reserve Board and the Banking and Currency Committees of both Houses of Congress through their respective Chairmen, directing attention to the non-economic basis on which United States banking and commerce are functioning and the enormous capital waste consequent thereto. The Agricultural Committee of the House of Representatives, through Chairman Gilbert N. Hauzen, has also received for consideration a statement from Mr. Duggan on Agricultural Relief, assigning the dislocation of credit and capital in the nation's financial and credit structure as the fundamental cause for agricultural depression.

THE relation that the retail distributing industry bears to banking is a subject that has not apparently engaged the attention of retailers as a body or as units, and the writer believes that this neglect has resulted to the material disadvantage of retailers generally and to the industry as a whole. In order to establish the grounds for this statement it is undertaken here to briefly describe the evolution of modern banking in the United States, and the part that the retail distributing industry has played in the creation of the present financial and credit structure of the nation.

The banking system is the owner of a gold reserve, and this gold is used as the basis for the expansion of credit in commerce and also apart from commerce, in the expansion of credit for capital investment.

When a merchant borrows from the bank to finance sales and purchases bank credit is expanded and expressed in bank deposits which are increased in an amount corresponding to the amount of the loan and commerce is served.

When a bank invests in securities or in loans with securities as collateral, bank deposits are correspondingly increased and expanded and security banking is served.

It will be seen from this explanation that bank deposits are principally a form of credit supported by gold reserve, that expands credit in commerce, and in security investment, and that all industries have available two avenues from which to obtain banking

credit: they may either borrow from the bank or sell the bank capital securities to acquire the necessary funds for the conduct of business.

The retail distributing industry in buying the products of other industries have adopted as a dominating policy, the system of using money as the media of exchange for deferred payments, where the credit exchange media normally should be in play. By this policy the retail distributing industry, in buying goods, provide the other industries with the money capital with which they operate.

It being the predominating policy of the retail distributing industry to make present payment of money for goods, where credit or deferred payments should naturally be in play, the question arises why money is substituted for credit and what impels the retailer to furnish other industries with money capital?

The only reason that can be assigned for the existence of the system is, that it is ordained by custom, and being the adopted method of marketing by the majority of industries in selling, the retail distributing industry has passively accepted, and submitted to the plan, without inquiry or investigation into its disadvantages or merits.

What is the truth in regard to the system employed by sellers, that persuades, and induces the retail distributing industry to furnish other industries with money capital to operate?

The other industries in selling to the retail distributing industry, to persuade and induce the retailer to pay money for goods, when credit naturally should perform, profess to pay a premium for money. The mere profession that a premium is paid for money, when gold and paper currency are circulating at par, to say the least may be described as a dubious profession.

Moreover, the majority of sellers, if asked the question, will admit that the premium or cash discount is included in the present payment price, being regularly added to cost of production and price in the same

manner that any other item of expense is added to cost. Sellers that will not admit that premium for money payments is added on to the asked price, are manifestly misinformed.

As a plain business proposition a system requiring one division of industry to furnish capital to other industries, to conduct their operations, is indefensible and opposed to reason, which is demonstrated when the economic effects of the system are understood and recognized.

The annual retail trade of the country is stated to be about \$38,000,000,000.00. Assuming that the purchase price to the retail distributing industry was \$30,000,000,000.00 and that the average time required for the orderly marketing of goods was sixty days, the amount of money capital continuously invested would be one-sixth of total purchase price or \$5,000,000,000.00. It is apparent, therefore, that the retail distributing industry contributes \$5,000,000,000.00 capita for the use of other industries, not only without compensation, but, on the contrary, being charged for the privilege.

If it is true that the retail distributing industry provides other industries with \$5,000,000,000.00 money capital, thereby diminishing the capital of the retail distributing industry a like amount, the net result is a loss of \$10,000,000,000.00 capital and buying power to the retail distributing industry as a whole.

The thing of the most vital importance to the population of the United States is the economic waste of \$5,000,000,000.00 money capital that is now sterilized and dormant and which can be utilized to the advantage of all industries and the whole population of the world.

The system by which credit is extinguished and capital is substituted therefor, has brought about some profound changes in the nation's credit and financial structure. The merchant having two avenues to procure the money required for cash payments, and finding that capital

stock issues can be sold for this purpose, utilizes this avenue to provide funds sufficient, not only to pay cash for goods, but also to "fund banking loans," which process reduces the volume of bank credit expanded in commercial credit and inflates bank credit expanded in capital investments.

Dr. B. M. Anderson, economist of the Chase National Bank of the City of New York, in the November issue of the Chase Economic Bulletin, in a very convincing way presents facts and figures on the excessive growth of bank credit expanded in capital investments.

Quoting from the November issue of *The Bache Review's* comment on Dr. Anderson's investigation, it is stated:

"Attention should be given to the extent to which credit expansion has taken place in this country in the last four or five years, of which Dr. Anderson, economist of the Chase National Bank, has made a careful and informing investigation. This is published in the latest issue of the Chase Economic Bulletin.

"Individual deposits of all banking institutions—that is, all State and National banks and Trust companies—have increased from \$27,308,000,000 in 1919 to \$40,110,000,000 as of June 30, 1926. Roughly, there is thirteen billion dollars more of bank credit afloat in the United States today than was the case in 1919.

"Bank loans on securities and investments in securities have increased heavily since 1922. Loans on securities in the latter year for the 700 'reporting member banks' of the Federal Reserve System were around \$3,700,000,000 and have increased to \$5,700,000,000, and investments from \$3,600,000,000 to \$5,600,000,000. This is a total increase of some four billions of dollars for these 700 banks alone. For the banks as a whole, this amount would be very much greater."

The retail distributing industry is largely responsible for the deficit of commercial credit, and the inflation of capital credit in the country's financial and credit structure, because the industry is the principal agency in the extinction of commercial credit through the fallacious system of substituting money for credit as an exchange medium. Banks being deprived of this stock for investment purpose, are forced to employ deposits in security investments. The swing and trend in

this direction has made security banking predominant and commercial banking subordinate in our financial system; interest and discount market rates for money are no longer established by commercial and banking credit instruments; interest and discount market rates for money are now established by New York Stock Exchange time and demand loans, which is an anomalous condition.

The effect of the reinstatement of credit as an exchange medium in its natural habitat, where deferred payments are involved, would be advantageous to all industry and finance, through the recovery of capital and the corresponding increase in world buying power.

Industries as units would benefit by the substitution of credit for capital by having their total buying power increased without impairing their financial status. Banks as units and the banking system as a whole would benefit by the transfer of bank credit from investments in rigid capital into investments in short time liquid commercial credit.

In justice to sellers it is only fair to state that they do not approve of the system that wastes capital by substituting money for credit, and the great majority would be glad to co-operate in bringing about a rational system under which all exchanges are made on a fair, equitable basis to both buyer and seller.

It will be understood that in the adjustment, the other industries, in making sales on strictly net time terms, would own a volume of credit in the form of book debits which would constitute the principal basis for securing bank credit or money as funds are required. To attain the maximum of capital and merchandise turnover it should be the policy of the retail distributing industry to close book accounts, by giving the seller evidence in writing in the form of a bill of exchange—maturing on the agreed terms of sale, making the credit liquid, and thereby facilitating and increasing the velocity of exchanges.

While space here only permits an outline of the subject, there are no new doctrines advanced in the views presented; no new banking or commercial principles are offered; what is here advocated conforms with the generally accepted principles that should govern sound banking and business. The aim of the writer is to direct the attention to the changes that have transpired in the United States' methods of marketing and banking, in the hope that a subject of such vital importance will engage the earnest thought of retailers generally and result in crystallizing a sentiment that will in season effect a correction of the fallacious beliefs and non-economic theories that are in force, and that are retarding national progress and restricting the increase of public wealth.

New Developments

Monographs on Commercial and Banking Credit

By WILLIAM J. DUGGAN

- 1.—Cash Discount—A Price Fixing Device.
- 2.—United States Sterilized Gold Stock. The Normal Function of Gold in the Expansion of Credit.
- 3.—Credit and Cash. The True Functions of Money and Credit as Media of Exchange.
- 4.—America's Hoarded Wealth. The Nation's Concealed Resources.
- 5.—Why the Cash Discount? Why Two Prices?
- 6.—Present Payment—Future Consumption. The Consequences.

The education of the Banker, Merchant, Credit Man and Public Accountant, is incomplete without a knowledge of the new developments in Banking and Commercial Credit.

Copies of monographs will be mailed to any address postpaid, price 50 cents per copy or \$2.00 for the series of six monographs.

Distributors

PROGRESS PUBLISHING COMPANY
605 Equitable Building ST. LOUIS, MISSOURI

Pittsburgh Retailers Have Perfect Credit Protection

By A. B. BUCKERIDGE, Manager, Pittsburgh Credit Bureau, Inc.

THE Pittsburgh Credit Bureau, Inc., has started in right by going on a 100% National Association basis.

The Pittsburgh Retail Credit Men's Association and the Credit Bureau have formed an alliance whereby they will work together in every respect, dues for the respective organizations being collected in one sum without either organization losing any of its identity.

Direct inquiries have been eliminated through a clause in the membership contract which provides that all information to the stores and from the stores will go through the Bureau.

Those three items are just the highlights in a program that has been mapped out by the two credit organizations destined to make Pittsburgh a city where the grantors of credit will dictate terms of payment to the customers instead of being dictated to.

On November 1st the Pittsburgh Credit Bureau, Inc., formally came into existence, taking over the credit files, equipment and reporting personnel of the D. P. Jones Mercantile Agency, which had furnished credit information for nearly 30 years.

The D. P. Jones Mercantile Agency, while they turned over the credit reporting feature, still retained the collection business in offices at 700 Bowman Building, Pittsburgh, with F. A. Caten, well known to the credit men of the country, as manager.

Credit for the formation of the new Bureau is due to the Retail Merchants Association, composed of the eleven department stores which made the formal purchase of the D. P. Jones Mercantile Agency and guaranteed all expenses of the incorporation, and would have been willing to finance the proposition for five years alone had it been found necessary.

The Pittsburgh Bureau is owned and operated by the merchants and business firms of Pittsburgh, incorporated for \$50,000.00 under the laws of Delaware.

One of the first moves of the Bureau was the renting of offices at 208-212



Commonwealth Building, located in the heart of Pittsburgh, in the district called the "Wall Street" of Pittsburgh, and strangely enough the former quarters of Bradstreet's.

The moving of the 600,000 rating cards was a very difficult job and took two days with the assistance of forty employees. New steel equipment was installed with the addition of an 80-line switchboard and filing equipment that will make the Bureau complete from a mechanical standpoint.

Not all the new equipment has been received as yet, because of made-to-order specifications, including a 10,000 alphabetical index to provide for speedy search for the master cards. The 80-line switchboard will give way to order tables, known as the "Turret" system, as soon as the telephone engineers can build the new material.

Stock in the firm is being offered to any firm or individual in Pittsburgh wishing to subscribe for same and willing to sign the stockholders' agreement, which really guarantees the success of the Bureau.

For every open account on his books, the merchant is given the right to buy 8 cents worth of stock. For every \$100 worth of stock in the Bureau the merchant agrees to guarantee \$150 worth of service a year for five years; the difference between the service

actually paid for and the service guaranteed to be called on only in case of a deficit. If the Bureau faces a deficit at the end of the first year and makes a profit the second, the stockholders who paid the deficit will be repaid before any dividends are declared.

In this way the Bureau is assured of an income of \$75,000 a year for five years from the stockholders, not counting receipts from the members who do not hold stock. Non-stockholders receive the same kind of service but do not have to guarantee any special amount of service. They pay for the reports they actually use, being billed at the end of each month.

Realizing the importance of close co-operation between the credit men, the Bureau and the Retail National Association, it was the determination of all parties interested to work out the best agreement possible to cement the organizations together.

The result of the deliberations of the committee composed of L. Michaels, President of the Pittsburgh Retail; Franklin Blackstone, Director of the Retail Credit Men's National Association, and the writer as Manager of the Pittsburgh Credit Bureau, Inc., was a plan that benefits each of the three organizations.

First, every member of the Bureau automatically becomes a member of the Credit Men's Association and the National.

This is done through the Bureau's yearly membership fee of \$25.00. Of this amount \$10 is given back in service, and all reports over this amount are paid for per report.

Five dollars goes for membership in the R. C. M. N. A., five dollars for the weekly bulletin, and five dollars to the Credit Men's Association.

While the credit men formerly issued their own bulletin, it will, after January 1st, be issued by the Bureau combining the features formerly contained in both bulletins so no loss is suffered to either organization.

The Credit Men's Association will operate as before, electing its own

officers and running its own affairs, but it will practically be the members' council of the Bureau, acting as an advisory board to the Bureau's board of directors.

Formerly it cost \$20.00 a year to belong to the Credit Men's Association. Now it costs only \$15.00. The Bureau secures the benefit of more members and complete co-operation, credit affairs are centralized in one office, eliminating the duplicate overhead costs, and the National receives complete co-operation from all credit sources and additional members.

The plan has met with such approval from members of all three organizations that the committee expects within a few years to have in Pittsburgh the largest representation in the National of any city in the United States, which will also mean the largest Bureau.

An interesting feature about the Pittsburgh Credit Bureau, Inc., is that it has a waiting list. Even though the force of the Bureau has been increased from 31 to 52 employees, it is unable to accommodate all the applicants for membership, and is giving service to those in line only as it is able to take care of them. More than 200 members are now receiving reports.

Members of the credit Bureau agree to furnish the organization with the name and address, and credit rating of any new account opened; changes of address of customers; name and address of customers whose accounts have been placed for collection charged to profit and loss, or any adverse information it may receive concerning a customer and its ledger experience or any other information it may have affecting the credit of any of its customers.

An additional pledge, in writing, is made as follows: "That the subscriber shall not impart to any other person except the corporation, any credit information of his or its own, whether obtained from the corporation or not."

This will eliminate direct inquiries, as all information will be cleared through the Bureau. This will build up the Bureau files and do away with losses suffered from calling references direct, because the applicant always gives the names of firms he pays promptly and neglects to mention those he still owes, and which information is in the Bureau files.

That the merchants are co-operating in eliminating direct inquiries is shown by more than 500 written inquiries being referred to the Bureau from members between December 1st and 15th. The number of telephone requests denied was no doubt many times as great.

The Bureau will inaugurate a delinquent letter service the first of the year for its members at a small charge per series of three letters. Debtors will be advised that it is a question of either paying up or having the record go on their card in the Bureau files, which will mean their being refused further credit. The names of persons ignoring the letters will be published in the weekly bulletin besides being placed in the Bureau files.

Other departments will be added to the Bureau as time and finances permit, with a view of gradually building up the files and service to a point where most efficiency is reached, and the public educated to the fact that they

must pay promptly in order to secure credit.

From the viewpoint of a possibly biased and prejudiced writer, it looks as if Pittsburgh has started off on the right foot as seen from the angle of the Retail Credit Association, the Credit Bureau and the National Association.

Have we or have we not?

"These firemen must be a frivolous set," said Mrs. Dumpling.

"Why?" asked her husband.

"I read in the paper that after the fire was under control, the firemen played all night on the ruins. Why didn't they go home and go to bed like sensible men, instead of romping about like children?"

—American Boy.

Harness "energy" with common sense, let system be the guiding reins and attractive catalogs your heralds. There is no limit to the distance your business can travel if properly guided.

New Husband—"Good gracious, darling, what a long pie. It is surely too big for us two."

Wife—"I'm sorry, dear, but I couldn't get any shorter rhubarb anywhere."

DON'T FORGET OUR FEBRUARY CONFERENCES

These Regional Meetings are an important part of our National educational work and every member in the district they embrace should attend. They are arranged for your benefit and much time, effort and expense has been devoted to them by those in charge.

The Credit Manager who attends these meetings cannot help but get a new view of his problems because he will mingle with other Credit Managers and learn their viewpoint.

There should be a minimum of 300 attend each of these meetings. Take a few days away from your office. It will be to your personal advantage and also that of your firm. Invite the store owners to attend and meet the members of your Association.

All credit grantors in the states of Minnesota, Wisconsin, North Dakota and South Dakota, are invited to meet at Hibbing, Minnesota, on February 7th and 8th. Write A. W. Cohoe, Box 1455, Hibbing, Minnesota, for particulars.

All credit grantors in the states of Missouri, Illinois, Arkansas, Oklahoma, Western Tennessee and Kentucky are invited to attend the Mississippi Valley Conference at St. Louis on February 15th and 16th, Hotel Statler, headquarters. Make reservations with A. J. Kruse, Secretary, Associated Retail Credit Men of St. Louis, Chamber of Commerce Building, St. Louis, Mo.

All credit grantors in the states of Ohio, Indiana, and Michigan are invited to attend our Tri-State Conference at Cincinnati, Ohio, on February 16th and 17th, Hotel Gibson, headquarters. Write Mr. J. A. Williams for further information.

All credit grantors in the state of New York should attend the New York State Conference at Auburn, New York, February 21st and 22nd. Full particulars from Mr. Walter S. Marx, Secretary, Auburn Retail Credit Association.

The Secretary's Page

TO OUR MEMBERS

By the time this issue of THE CREDIT WORLD reaches you we will have entered the year 1927 and before us will lie the unknown which only time can unfold. Behind us will be memories of what was or what might have been. If we profit by our mistakes of the past and let our successes, like a beacon light, lead us on to greater achievements, we will surely have a profitable year.

Your Managing Director and his staff of assistants at the National office take this opportunity to thank all those who have contributed to the welfare and progress of the National Association and solicit for 1927 your continued support of our efforts to increase the membership and service, so we may reach our goal of being regarded as the most important organization of retailers in the country.

That each of you personally may be blessed with much happiness and prosperity, is the sincere wish of

D. J. WOODLOCK.

AN ITEM OF NATIONAL SERVICE

The Alexander Hamilton Institute, a correspondence school of Chicago, has just sent us a check for \$248.20, covering the charges in connection with locating 160 missing debtors during the past sixty days.

Our tracing department of the National office is the most efficient organization in the country for securing the present address of missing debtors, averaging four hundred a month. The department is in charge of Miss E. Tunica, who has been with the National office for three years.

AKRON, OHIO, ASSOCIATION HAS LADY PRESIDENT

The Akron Retail Credit Men's Association has long been an important unit in our organization and has the distinction of having a woman credit manager as president. Miss Mary A. Hetzel, credit manager of A. Polksky Company, has made an enviable record in encouraging local activities and increasing the membership and service of the Akron local.

CHANGE IN DATES OF PAY-PROMPTLY CAMPAIGN

Our National Pay-Promptly Campaign has been advanced from the first week in February to the week of February 28th to March 5th. This was found necessary in order to properly prepare all the newspaper advertisements, inserts, window cards, etc., and distribute them to each Local Association so as to secure nation-wide publicity and unity of action.

Every Local Credit Association, Chamber of Commerce and Retail Merchants Secretary should immediately write our Vice-President in charge of this campaign, Mr. L. L. Meyer, c/o Foley Bros., Houston, Texas, for details.

This is the most effective and least expensive way of promoting a community credit policy and has the endorsement of all leading retail merchants.

MILWAUKEE LEADS IN MEMBERSHIP INCREASE

Through the efforts of Mr. A. C. Wehl, Credit Manager of Gimbel Bros., President of the Retail Credit Men of Milwaukee, eighty-five new members have been enrolled and many new activities are planned, including a collection department, a moving ordinance and a Pay Promptly Campaign.

Milwaukee has been an outstanding figure in National Association activities for the past two months.

ABOUT MEMBERSHIP FEES

The attention of Local Association Secretaries and individual members is called to our by-laws, providing for the payment of the National Association membership fee in advance. Delay in remitting only adds to the troubles of the bookkeeping department of the National office and leads to complications as regards expiration dates. A bill is always sent on the first of the month in which the dues are payable and we will appreciate your co-operation in reducing our office detail.

INTRODUCING MR. A. B. SANDERS



The Executive Committee of the Board of Directors of the Retail Credit Men's National Assn. have authorized the employment of an assistant to Managing Director Woodlock and Mr. A. B. Sanders, Manager of the Mesa County Credit Association of Grand Junction, Colorado, has been selected.

Mr. Sanders is a protege of Director C. M. Reed and received his early training in the offices of the Retail Credit Men's Association of Denver, under Mr. Reed's supervision. He spent several years as Collection Manager of the American Furniture Company of Denver, and, although only twenty-seven years of age, has shown a marked ability in credit organization work. He has made office organization and credit analysis a special study, and for this reason should be a very effective addition to the National Office organization in connection with research work.

Mr. Sanders is single and supports his mother, who is an invalid. He has a pleasing personality, is a convincing talker, and knows both credit granting and bureau management.

He will relieve Mr. Woodlock of much office detail, editorial and research work, giving our Managing Director more time for constructive development of our National activities.

Mr. Sanders will move to St. Louis and assume his duties at once.

THE SLOGAN CONTEST

Over three thousand slogans were submitted in our Credit Slogan Contest and the committee had a big job in selecting those they considered best in accordance with the announcement that the slogan should tell its story in few words and be suitable for use on our stationery.

By a strange coincidence five members submitted what was selected as the winning slogan:

PROMPT PAY PROMOTES PROSPERITY

A. C. Hutchison, Cleveland, Ohio.
W. S. Christian, Memphis, Tenn.
Leonard S. Tschudy, Cleveland, O.
Miss Catherine Doody, Cleveland, O.
G. H. Seymour, Cleveland, O.

SECOND CHOICE

CREDIT—USE IT—DON'T ABUSE IT
R. L. Block, Block Tire Co., 941 Minnesota Ave., Kansas City, Kans.

Two were selected as third choice, being a tie vote:

THIRD CHOICE

THE BACKBONE OF NATIONAL BUSINESS—THE MAN WHO PAYS PROMPTLY

F. A. Whitten, Rorabaugh-Brown D. G. Co., Oklahoma City, Okla.
GOOD CREDIT IS YOUR GREATEST ASSET—KEEP IT GOOD

A.C. Parsons, French & Bassett Co., Duluth, Minn.

Many slogans lacked but one vote of being among the winners.

The Board of Directors of the Retail Credit Men's National Association desire to thank all those who took part in the contest. The large number of replies received indicated a lively interest in Association affairs.

THEY'RE ALL ALIKE
Eph—"What am de differne between a' old man, a young man, an' a worm?"
Mose—"Nuffin. Chicken gets 'em all."

WICHITA—JANUARY EIGHTEENTH

Under the leadership of National Director Ray J. Puckett and the energetic manager of the Wichita Credit Bureau, Mr. C. E. Wagoner, a big meeting of all retailers interested in credit has been arranged for January 18th, at the Hotel Hassen.

Managing Director D. J. Woodlock will be the principal speaker. His subject—"The Credit Department as a Business Builder."

Mr. M. E. Garrison, Executive Manager of the Wichita Association of Credit Men, will speak on "Guessing No Longer Necessary—Get the Facts."

About 300 reservations have already been made.

On the afternoon of the same day fifty Secretaries of Local Associations in Kansas will hold a meeting and be addressed by Mr. Woodlock and Mr. Puckett.

RESULTS FROM AN UNUSUAL LETTER

In the *Retail Ledger* for December appears an article telling of a "Mourning Letter" which has resurrected many dead accounts for Pollock and Berg, a clothing firm of Atlanta, Ga.

This firm, like many others, had worried about accounts which had become inactive and hit upon a novel and rather unusual scheme for advising these customers they were missed as regular patrons.

A mourning letter, black bordered stationery and envelope, written in long hand in very black India ink, was sent expressing regret at the death of the account and asking for advice as to why no purchases had been made. The firm reports 20% of those receiving this letter reopened their accounts by making purchases.

OKLAHOMA CITY MERCHANTS MEET JANUARY 19th

The annual meeting of the retailers of Oklahoma City will be held January 19th. Managing Director Woodlock will be one of the speakers.

Under the management of Past Director A. D. McMullen, this Association has shown wonderful progress, and a community retail fraternity has been developed which no other city boasts.

(Additional items on page 14)

Yours truly,

D. J. WOODLOCK,
Managing Director.

Milwaukee Establishes Collection Division Enlists Many New Members

By R. E. VOGT, Boston Store, Milwaukee

UNDER the energetic leadership of President August Wehl (of Gimbel Bros.), the Associated Retail Credit Men of Milwaukee is making rapid strides. A very fruitful member-getting contest is under way. It is not a drive to add useless names to the roster—it is not an effort to swell the treasury by the collection of dues, but is a straight-shootin' endeavor to offer co-operation to a greater number of Milwaukee merchants.

Remember Gus Miller? He was President of our local for two years. It is he who first raised the flag of achievement on the west shore of Lake Michigan. Of course he's leading in the number of new members gained, having turned in up to Dec. 25th a total of—oh! excuse me—we can't tell you, yet—wait until convention time!

Members and families enjoyed a most pleasant get-together on December 16th, when they got together for the Annual Christmas Party. Most of 'em managed to get together with the swell dinner, too—and there was a big Christmas tree, presents and a program for the children, etc.

The matter of establishing a Collection Division was brought up several times, but was never seen through to a conclusion, until the present administration got hold of it (and the present administration didn't write this article, either—although the guy wielding the pen is an appointee and at the mercy of the P. A.). About four months ago, an able committee was appointed, and was authorized to investigate the matter completely. This brilliant committee, illuminated by the brightest lights among Milwaukee's credit grantors, soon felt that much good might result if collection claims of members were centralized.

Applications from a number of attorneys and collection agencies were considered and after a half dozen secret, lengthy meetings, the committee recommended to the board the name of the man who presented the best qualifications.

Mr. Michael M. Wittenberg, a very successful and energetic young attorney, was named legal adviser and counsel for the Milwaukee Association. His office is excellently equipped and he places at the disposal of the organization an experienced and capable staff. The contract between Mr. Wittenberg and the society stipulates the rates which are to be charged for collections and locates, under what conditions suit is to be entered, and also provides for the appointment of a grievance committee which will sift any complaint which might arise concerning this service.

It is expected that the grievance committee will die of starvation.

The credit men of Milwaukee have long felt a desire to maintain a larger membership, but could never quite see the object of sporadic membership drives which are followed by an avalanche of resignations. Our aim is to instill in the mind of each new member, as well as to reawaken in every old member, a sense of the advantages obtainable only through complete co-operation, which will of itself lead to a desire to remain "one of the bunch." Our Association wants to give all fellow credit grantors and their stores so much that it will become, and continue to be, an indispensable tool in their hands, with which they can build for their future: A Larger Volume of Credit Sales—on a Sound Basis—to the Benefit of the Consumer and the Store—the Community and the Country.

WHAT THE WORLD NEEDS MOST

1. Dollar-a-dozen golf balls.
2. Something to take gin stains off the piano.
3. A straw hat that won't roll.
4. Less water in canned tomatoes.
5. People who won't gossip.
6. More apples in applesauce.
7. A satisfactory explanation of what the restaurants call coffee.

8. An automatic cigar-lighter that will light.
9. Where is the helping hand gone?
10. What has happened to efficiency?

—From Holmes Store News.

Chemistry Professor—"Name three articles containing starch."

Student—"Two cuffs and a collar."

AUSTIN, TEXAS, HAS MOVING ORDINANCE

The following ordinance has been very beneficial to the merchants of Austin, Texas, and is submitted by Mrs. R. L. Bewley, Secretary-Manager, Austin Association of Credit Men for benefit of other communities.

AN ORDINANCE

AN ORDINANCE REQUIRING REPORTS OF THE MOVING OF HOUSEHOLD FURNITURE AND HOUSEHOLD GOODS AND EFFECTS FROM ANY ONE PORTION OF THE CITY OF AUSTIN, TEXAS, TO ANY OTHER PORTION OF THE CITY OF AUSTIN, TEXAS, AND PRESCRIBING A PENALTY FOR THE VIOLATION OF THIS ORDINANCE.

Be it ordained by the City Council of the City of Austin:

SECTION 1. That every drayman, driver of express wagon, baggage wagon, moving van and other vehicles, and all others pursuing like occupations, shall make a report in writing to the city clerk of the City of Austin, Texas, whenever he or they shall move any furniture or other household goods or effects, from one location in the City of Austin, Texas, to another location therein, giving in said report the number of street and house or railroad station from which, and the number or name of the street, house or railroad station to which said household goods, furniture and effects are moved, as well as the date of said moving and the name or names of the parties for whom such household goods, furniture or household effects are moved, which said report must be in writing and made to the city clerk within twenty-four hours after the moving of said household goods, furniture or effects.

SECTION 2. Any person violating any of the provisions of this ordinance shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not less than five dollars, nor more than two hundred dollars.

(Signed) A. P. Wooldridge, Mayor.
Passed: October 8th, 1914.

Executive desires Eastern connection. Experience covers ten years in banking, twelve years in credits, collections and finance. Now engaged in Retail Merchants Credit Bureau work. C. H., c/o CREDIT WORLD, St. Louis, Mo.

The Interest of Bankers and Business Men in Stable Money

Extracts from Address

By IRVING FISHER

Professor of Economics, Yale University

THE President of a very successful business recently told me, with great earnestness, that the future great benefactors of mankind would be not the preachers, nor the teachers, nor even the physicians, but the big business men.

"I have come to believe that there is much truth in this idea, although I was brought up on the hard-boiled doctrine that business and philanthropy could never be mixed.

"Business is today realizing, as never before, that it has responsibilities to the public. In particular, the banker is realizing that his function is not merely to strive for private profit, but to render, as well, a public service.

"For several generations, the Bank of England, though nominally a private bank, has been increasingly regarded by the public and by itself as existing for the good of English business in general. In a special sense, all large banks and all central banks are public service institutions. Our own Federal Reserve System is no exception. In fact, it seems as if it were destined to become, if indeed it has not already become, the greatest public service organization in the world.

"Among other important public services it is performing for the world the invaluable service of stabilizing the value of gold. It is not generally realized that on the policy and conduct of the Federal Reserve System, and the thousands of banks associated with it, now largely depend the stability of the American gold dollar, the stability of the value of gold money throughout the world, and the stability of world business and industry.

"In times past, the banker might pursue his private profit freely without being troubled by any thought of the effect of his transactions on the purchasing power of the dollar, the price level, and general business conditions. But, today, he cannot escape some thought of such effects; for,

today, every banking transaction, as it affects the volume of credit in use, tends to affect the value of gold, the general level of prices and general business conditions.

"There are two special reasons for this changed situation. One of these is the growth in the last century of bank credit; the other is the recent increase in our gold reserve.

"First as to bank credit: the contrast between present and former conditions is startling. Originally, of course, a gold dollar derived its worth as money from its worth if melted into gold bullion, available for use in jewelry, gilding, or dentistry. Every dollar of bank credit was supposed to derive its value from the fact that it was redeemable in gold.

"In those days, banking was too small a factor to affect appreciably the value of gold. Bank credit, that is, deposits and checks against them, was a small tail to the large bullion dog. That is, the value of the gold dollar, or sovereign, was determined almost entirely by the use of gold in the arts. But today, the tail is wagging the dog, because the tail is several times as big as the dog. Today, in Anglo Saxon countries, bank credit and currency perform from eighty to ninety per cent of the money function in our commercial system, and this money function is incomparably more important than the goldsmith's market.

"Today, therefore, it is the volume of credit in use that determines the value of gold bullion rather than *vice versa*.

"We turn now to the other and more recent factor, our present overgrown gold reserve. During the last few years, the gold reserve of our Federal Reserve System has been about double the minimum requirements of the law or of prudent banking. Thus the danger of the reserve approaching or falling below these minimum requirements has not hampered, and has scarcely even been

considered by, the Federal Reserve banks in their granting of credit on rediscounts or in their sales or purchases of Government securities and commercial acceptances in the open market. The old guide of banking policy, the gold reserve ratio, is gone—for the present, at least. If the Federal Reserve banks now chose to follow the old rule of conduct and policy they would extend credit enough to take up the slack and so to reduce the reserve ratio to near forty per cent. But if they did this they would inflate prices to double the present level, and we would have a repetition of the disastrous joy ride of 1919 and 1920.

"Rather than permit such a runaway inflation, the Federal Reserve System felt compelled to ignore the reserve ratio as a guide, and virtually to substitute a new criterion, that of stability—'to accommodate business.' Under this new policy the Federal Reserve System considers what is going to be the effect upon business conditions rather than upon the reserve ratio of (1) its open market purchases and sales, (2) the changing of its rediscount rate, (3) of its practice as to putting gold certificates into circulation in place of Federal Reserve notes or *vice versa*, and (4) of its advice and moral influence. The Reserve banks have foregone the profit they might have made by encouraging rediscounts and by buying securities and acceptances to the limit; they have in effect kept one-half of their gold idle; and all this in an effort to prevent undue inflation or deflation, and so to stabilize general business conditions for you and for me and all of us.

"In my opinion this intelligent and public spirited policy and the surprising success with which it has been carried out are largely the cause of our present prosperity, our large production and consumption, our small degree of unemployment. For four years we have had a roughly stabilized dollar.

(Continued on page 13)

Collections

By C. J. WEIKERT

Why place the account for collection promptly?

IT seems to be an obsession in the minds of some merchants, like the fear of the darkness in the minds of little children, that to ask a delinquent debtor for the money he owes is to incur the enmity, risk the loss of their business and the probable trade of their friends. This is childish, for in the first place the debtor has more merchandise than he can pay you for now—so why worry about selling him more? And in the second instance if the debtor is of a type that considers obligations lightly—of what earthly use will his friend's business be to you who undoubtedly follows the same tactics.

Timidity and good business are not akin. A part of the sale transaction was the consideration that the payments would be made when due. Must you pay tribute in good dollars and cents to keep him from knocking your store because you are dunning him for money he owes you? If he knocks your method of collection who do you suppose listens to his howling? Everybody of course and in particular that type of individual who feels the same way about it.

To those of you who have waded thus far in the maze of words and still remain in the state of mind that our theory lacks collection essentials, let me ask you this: Why spend money for an organization of creditmen, collectionmen, bookkeepers and the hundred and one other expenses that are necessitated in the proper operation of a credit store? Just let the salesman pass your merchandise out and then pray that the world will turn over and all people prove honest.

There is an old saying that the early bird gets the worm and it applies to our business as well. It's the fellow that gets the dough and makes the customer realize the seriousness of the obligation that ends up with the ledgers in black and a cheerful disposition as well as business.

As I write this I can see our small town jeweler saying to himself, that's all right for the big shots but here we have to go easy—competition is too keen. It sure would be great to collect

promptly. The only way to do a thing is to get started and the sooner the better. And ten to one he's reading this now with the same thing in mind. Go over and see him—he'll meet you half way.

Before I get off on something else let me call two things to your mind—it's no disgrace to ask for money due you, and the time to place that account for collection is when the first element of doubt as to its collectibility enters your mind.

Some time ago I had the occasion to call upon some of the boys that felt their collections needed jacking up. Looking at what they used, here is what I found: The first letter was one of the familiar variety—"You have overlooked making your payment." Now then if you stop and think, you can readily appreciate that the average installment buyer is not so engrossed in the multiplicity of business affairs that he overlooks his obligations. Ten to one he is a poor hard working laborer making his daily bread by the sweat of his brow, and after he paid the rent, groceries, bought shoes for Mary and left enough for tobacco—he thought of you, but what's a fellow going to do when he hasn't it. After he receives a few more he begins to take the matter as a joke and forget about his obligation entirely. He hasn't overlooked the payment in the first instance, he didn't have the money.

Now then let me get back to the store of which I was talking about. I found some fourteen letters, each as sincere as the other up to a point where the debtor is asked in an insulting manner whether he is honest or not. After all the threats had been used up, the manager informed me on inquiry that the account was placed in the hands of the collector. Alas! But the collector never collected and the manager confided that in his experience he never found one to produce. How could he?

There was one redeeming feature in the matter—he knew something was wrong and wanted to find out what's what. Poor little manager.

Now let us take the matter in hand. A few statements, a brief but personal letter that is to the point, but if that doesn't work—a personal call by a collector that has the attributes of a gentleman. Simple, isn't it? Yet it results in easier collections, fewer skips, a pay regular customer, a collector that earns his keep and a little good will.

Remember that a collection that is easy today, may be difficult tomorrow, and impossible the day after.

Don't forget that turnover in accounts is as essential as turnover in sales and the slower your collections become the slower the sales come. Why? It is a known fact that a debtor will never go to a store where he is already indebted. And many a person feels that if your methods are lenient that there is a hook somewhere as higher prices. So let's marshal our forces and clean up the slate of slow pays. But in doing so keep in mind the four P's of successful collection:

Prompt.
Persistent.
Polite.
Pleasant.

Polite and Pleasant means to use tact. Tact is the necessary element to your operation as a successful organization. A tactless collection department can kill more business than all your page advertisements can obtain.

Gone is the day when you can take the office boy and expect a proper functioning of the collection department. It takes the right kind of help and the right kind expect to get paid.

Scientific collecting is merely salesmanship. You merely sell the delinquent debtor his reputation for honesty and integrity. And whatever may be the method, if you know your stuff you will collect.

This is the last of my series of articles on this phase of the business and in leaving I am going to give you a few valuable tips on meeting the debtor's story in an interview. One of the most frequent is the out of work story. Use a little consideration and perhaps you can get a partial payment

or a promise to pay. However, it is always best to check up. The next in line is that doctor bill—in ninety-nine cases out of a hundred the debtor is paying this bill out of his earnings as well and a little smoothing over will bring home a little something. Then we have the fellow that says try and get it. He is the boy to give it to hot and heavy. He deserves no sentiment.

In closing let me bring to your attention one point that has come to my notice regarding the improper handling of debtor who comes in to see about his delinquent account. Mr. Forget comes in and mumbles an excuse and a promise in the far and distant future. Kid Cashier says, "Oh, that's all right Mr. Forget, I'll take care of it." And the next day he receives another letter. This sort of contact wastes the entire work of the collection department and makes your store the laughing stock of the installment buyer. If nothing else see that the person that interviews these delinquents, has the ability of protecting your interests and at the same time the good will of your customers.

Remember collecting is naught but salesmanship. Add to this Personality and Persuasion and you have it. Collecting presents a wonderful opportunity to establish a friendly contact between store and customer. It presents an opportunity for education to those customers you want and the elimination of those you do not want. There are no magical secrets to collection work. It's just hard work plus good horse sense—Au Revoir But Not Good-bye.

WHAT'S DOC'S ADDRESS?

Dink—"Have any luck in the poker game last night?"

Blink—"Yes, there was a doctor in the game and I won eight prescriptions."

IMPORTANT WARNING! STOLEN TREASURY CHECKS

Edward Lawton Rowse, fugitive, formerly chief petty officer, United States Coast Guard, stationed at the navy yard, Philadelphia, Pa., is wanted for the theft of 1,000 blank United States Treasury checks numbered 2001 to 3000, inclusive, symbol No. 18161, forwarded July 14, 1926, to Paul H. Wright, Jr., special disbursing officer at the Philadelphia Navy Yard. Up to October 9, 1926, 20 of these checks had been passed, all bearing the forged signature of the special disbursing agent, six of them drawn to the order of E. T. Rose in amounts varying from \$35 to \$151.20. Additional checks were cashed at St. Louis, Mo., September 24, showing E. T. Carson as payee, J. B. Kennedy disbursing clerk, and the symbol number was changed to 18158. Different names for payee and disbursing officer and other symbol numbers will doubtless be used by the forger. It is alleged that Rowse is passing these checks at small banks not members of the clearing house or Federal Reserve System, also at post offices and their branches. A description of this forger, history, habits, etc., are given as follows:

"Age 41; height 5 feet 8 inches; weight 135; blue eyes, brown hair, light sallow complexion. He enlisted in the United States Navy at Davenport, Iowa, June 4, 1906, and remained in that service 16 years. Enlisted in the United States Coast Guard about two years ago. His wife, Margaret Rowse, resides at 914 Prospect Place, Brooklyn, N. Y. Rowse frequents race tracks, may wear his United States Coast Guard uniform, but latest reports indicate he dresses in civilian clothes and when cashing checks identifies himself by presenting letters from Navy and Coast Guard officials."

Rowse is reported to have visited and fraudulently passed checks at Philadelphia, New York City, St. Louis, Chicago, Milwaukee, Dayton, Cincinnati, Terre Haute (Ind.) and Kankakee (Ill.). To provide against payment of these stolen checks every postmaster should conspicuously post warning notices where they can be readily consulted by paying clerks. If any of the checks are presented the postmaster should refuse payment and

the person by whom presented should be detained if possible. A telegram outlining the circumstances should be forwarded immediately by the postmaster to the post office inspector in charge of his division, who will have an inspector in charge give the matter appropriate attention. The inspector in charge will also advise the nearest secret-service operative of the Treasury Department.

If any are presented, detain party and notify S. A. Connell, Agent in Charge, U. S. Secret Service, 211 Federal Bldg., St. Louis, Missouri, or Retail Credit Men's National Association.

Interest of Bankers and Business Men in Stable Money

(Continued from page 11)

"This stabilization work of the Federal Reserve System has only just begun. It is not yet fully self-conscious; the technique is not yet perfect, although the recent testimony of Governor Strong of the New York Federal Reserve Bank, before the Committee on Currency and Banking of the House of Representatives on the Stabilization Bill of Congressman Strong, has put the matter very clearly. It is not yet understood by the rank and file of bankers, much less by the business men whose interests are being served."

"And the reason for this is that the banker, or even the business man who is even more largely affected does not understand that our dollar, even our Gold Dollar, is not stable in purchasing power, that it is not a satisfactory standard or measure of value, and that from the fluctuations in its purchasing power great evils flow."

Henry Ford is buying up old violins, and if he wants to make himself really popular in some neighborhoods he will reach out for their ukuleles and saxophones.

WANTED: Credit and office manager with ability to merchandise credits and build charge volume on the thirty-day basis in well established high-class men's specialty shop located in finest shopping district of middle Atlantic coast city. Knowledge of accounting necessary. Budget and control experience desirable. Send complete details giving salary desired in first letter. Box No. G—CREDIT WORLD.

NOW READY *Group Conference Proceedings*

A Verbatim Report of the Group Conferences at our National Convention

Price \$5.00

RETAIL CREDIT MEN'S NATIONAL ASSOCIATION ST. LOUIS

The Credit Problems of the Retail Hardware Merchant

By W. R. KENDALL

Stewart Bros. Hardware Co., Memphis, and President Retail Credit Men's Association, Memphis.

THE big credit problem of the hardware store in the city is the irresponsible contractor and the speculative builder. Neither of these gentry have any resources to speak of but seem to have no difficulty in obtaining an unlimited line of credit from material dealers and finance corporations; in some instances succeeding in borrowing on first and second mortgages more than the cost of the project.

This business is highly competitive and the margin close, yet not a few material dealers have been guilty of the unbusinesslike practice of making bonds for contractors who could not make a bond with a regular fidelity company; and in also taking a large portion of their accounts in second mortgage paper. This abuse has grown rapidly—due to the post-war building activity, which has graduated from an economic necessity to almost pure speculation.

Two dollars for business cards, reading "estimates cheerfully furnished," is about the only necessary investment to engage in general contracting. The speculative builder makes a small cash payment on a piece of unimproved real estate, induces the owner to waive first mortgage and launches out in the real estate business. Real estate mortgages have always been considered one of the best securities so capital for such enterprises has been readily available without due investigation being made by the creditor.

Of course material dealers in Tennessee have a measure of protection through the furnishers lien law, but in many cases this lien is subject to a prior mortgage and about its only effect in such a case is to place a cloud on the title to the property, which of course would have to be removed before a sale could be completed.

This is unfair to the competent contractor and the responsible real estate man who have their own capital invested in their contracts or real estate projects.

We are overcoming this condition in Memphis through group meetings of material dealers, embracing every line engaged in furnishing construction material, nearly all of whom are members of the Retail Credit Men's Association.

These meetings are held twice a month at night with supper at the Peabody Hotel and are well attended by the chief executives of the different firms and finance corporations. They are informal and all phases of the building trade is discussed. Where several firms are interested in a particular collection problem group action by those interested is usually taken. Through the interchange of credit information, the open discussions as to the probable success of any given building program and the business conditions in our immediate territory, group action on collections and a careful check to stay within lien rights, we have succeeded in greatly reducing credit losses.

Making of bonds has been discontinued by mutual agreement and other abuses eliminated. Good fellowship prevails and all of us are finding out that our competitors are after all pretty decent chaps.

If the material dealers in other cities would organize along these lines, and function through the local Retail Credit Men's Association they would be amazed at the progress they would make in correcting various abuses and the high plane on which competition would be pitched.

The Secretary's Page

(Continued from page 9)

OUR SYMPATHY TO DIRECTOR CRAWFORD

The Board of Directors of the Retail Credit Men's National Association express their deep sympathy to National Director Richard P. Crawford, of Baton Rouge, Louisiana, upon the death of his mother. Coming as it did, during the holiday season, his loss was particularly sad.

TWENTY-ONE YEARS OF SERVICE



Just twenty-one years ago Mr. W. A. Clarke, Jr., was elected Secretary of the newly organized Retail Merchants Association of Richmond, Virginia, and opened offices on January 3rd, 1906, in a 12x16 room with himself as the only employee.

Today the Association occupies a space 21x100 feet and employ 15 people, have over 300,000 master cards in their filing cabinets and an annual budget of over \$25,000.00 with private telephones connecting direct with large stores.

Mr. Clarke is recognized as one of the leading credit reporting experts of the country and as Secretary of the Retail Merchants Association of Virginia has done much for not alone the merchants of Richmond, but the entire State.

He has taken an active interest in legislative work in the interest of retailers and the standardization of store practices.

For several years he has been State Chairman for Virginia for the Retail Credit Men's National Association.

N. R. D. G. A. CONVENTION

The National Retail Dry Goods Association will hold its Sixteenth Annual Convention at Hotel Pennsylvania, New York, February 7, 8, 9, 10, 11. A very instructive and interesting program has been prepared by Mr. Lew Hahn, Managing Director.

(Additional items on page 24)

Educational Service

As part of our educational service, we have arranged with publishers of national reputation to supply our members with books treating on Credits, Collections and Accounting. The following excellent books can be obtained by addressing the Retail Credit Men's National Association, Equitable Building, St. Louis, and will be sent postpaid upon order by any member. *Start today to build a business library.*

The Retail Charge Account	- - - - -	\$3.00
<i>By Frederick W. Walter</i>		
Installment Sales and Collections	- - - - -	4.00
<i>By Bryant W. Griffith</i>		
Effective Collection Letters	- - - - -	4.00
<i>By Tregoe and Whyte</i>		
Credits and Collections	- - - - -	4.00
<i>By Richard P. Etlinger and David E. Golich</i>		
Credit Analysis	- - - - -	5.00
<i>By Walter O. Schulte</i>		
Hall Handbook of Business Correspondence	- - - - -	5.00
Beorigan Elements of Accounting	- - - - -	2.50
The Business Letter	- - - - -	4.00
<i>By C. A. Naether</i>		
Retail Organization and Accounting Control	- - - - -	3.00
<i>By P. I. Carthage</i>		
Modern Accounting	- - - - -	3.50
<i>By H. R. Hatfield</i>		
Modern Business English	- - - - -	4.00
<i>By C. A. Babenroth, Ph. D.</i>		
Retailing Merchandise Planning and Control	- - - - -	4.00
<i>By Jos. L. Fra, M. B. A.</i>		
Principles of Accounting	- - - - -	5.00
<i>By H. A. Finney, Ph. B. C. P. A.</i>		
Essential Elements of Business Character	- - - - -	1.00
<i>By Stockwell</i>		
Human Side of Retail Selling	- - - - -	2.00
<i>By Ruth Leigh</i>		
Elements of Retailing	- - - - -	2.00
<i>By Ruth Leigh</i>		
Making of an Executive	- - - - -	3.50
<i>By A. Hamilton Church</i>		

RETAIL CREDIT MEN'S NATIONAL ASSOCIATION

NATIONAL O.K.

The Outstanding

A Partial List Of 1926 Installations

ALABAMA

Burger Phillips Co., Birmingham.

ARIZONA

Babbitt Brothers, Flagstaff.

ARKANSAS

The Froug Co., Pine Bluff.

BRITISH COLUMBIA

Hudson's Bay Company, Vancouver.

CALIFORNIA

Brotherhood National Bank,
San Francisco.

Rosenberg and Son, Santa Rosa.

L. Hart and Son, San Jose.

Hertel's, Los Angeles.

Oliver L. Johnson, San Francisco.
The Emporium, San Francisco.

The Eighth Street Store,
San Francisco.

Hastings Clothing Co.,
San Francisco.

S. Sweet and Co., Visalia.

Walker's, Inc., Los Angeles.

C. M. Andera, Santa Barbara.

Hale Brothers, Sacramento.

Roos Brothers, Berkeley.

Turner Hardware and Implement
Co., Modesto.

Eastman Kodak Co., Los Angeles.

J. F. Hink and Son, Berkeley.

Hale Brothers, San Francisco.

COLORADO

Crews-Beggs D. G. Co., Pueblo

CONNECTICUT

Rockwell and Co., Bridgeport.

DISTRICT OF COLUMBIA

M. Brooks and Co., Washington.

Frank R. Jelleff, Inc., Washington.

Grosner's, Washington.

M. Goldenberg, Washington.

M. B. Moses and Sons, Washington.

FLORIDA

Cohen Brothers, Jacksonville.
Hart Hardware Co., Miami.

GEORGIA

J. A. Kirven Co., Columbus.

ILLINOIS

H. L. Wortham Co., Rockford.
Rockford E. & M. Clothing Co.,
Rockford.

Hess Brothers, Rockford.

J. M. Kaufman and Co.,
Champaign.

IOWA

The Globe, Des Moines.

IDAHO

Nampa Department Store, Nampa.

INDIANA

The Hub, Gary.
The Frances Shop, South Bend.
Hibben and Hollweg & Co.,
Indianapolis.

LOUISIANA

Farrnbacher Dry Goods Co., Baton
Rouge.

Zodiag's, Inc., Shreveport.

Steven's, Inc., New Orleans.

MICHIGAN

Schroder Brothers Co., Battle Creek.
The Vogue, Flint.
Frandsen's Big Store, Hastings.
R. H. Fyfe, Detroit.
M. B. Lloyd, Menominee.
Newcomb Endicott Co., Detroit.

MISSOURI

Kline's, Kansas City.

Newman Mercantile Co., Joplin.

MINNESOTA

The Macey Company, St. Paul.
Maurice L. Rothschild, Minneapolis.

MISSISSIPPI

Fine Brothers, Hattiesburg.

Logan Phillips, Jackson.

F. Goodman, Greenwood.

C. & R. Stores Co., Picayune

MONTANA

Hart Albin Co., Billings.

MANITOBA

Hudson's Bay Company, Winnipeg.

MASSACHUSETTS

Jordan Marsh Company, Boston.

NEW JERSEY

M. E. Blatt Co., Atlantic City.

NEW YORK

B. Forman Company, Rochester.

E. W. Edwards and Son, Rochester.

Park Brannock Shoe Co., Syracuse.

Chemung Canal Trust Co., Elmira.

The Merchants National Bank,

Elmira.

Frank A. Empsall & Co.,
Watertown.

OHIO

B. R. Baker Company, Cleveland.

The Rudolph Wurlitzer Co., Dayton.

The Smith Kasson Co., Cincinnati.

The Home Store, Dayton.

The Deisel Company, Lima.

Hanke Brothers Co., Cincinnati.

THE NATIONAL CASH

CHARGE PHONES Voice During 1926

Shillito Co., Cincinnati.

ld's, Inc., Dayton.

Dollars & Son, Inc.,

La.

is Company, Portsmouth.

OMA

oyal, Oklahoma City.

h Department Store,

ee.

nkins Music Co., Tulsa.

LVANIA

Marshall, Pittsburgh.

Auto Equipment Co.,

burgh.

DAKOTA

Market Co., Huron.

ipeg.

tion, Beaumont.

er Dry Goods Co.,

ee.

Co., Gainesville

SEE

art, Knoxville.

A

, Norfolk.

VIRGINIA

Kirby, Inc., Parkersburg.

Company, Charleston.

INGTON

Brothers, Seattle.

Graham, Spokane.

Department Store,

ee.

Kodak Co., Seattle

olesale Co., Spokane.

SIN

Levy & Bro., Janesville.

**Stores everywhere
are turning to this bet-
ter way of authoriz-
ing charge sales.**



REGISTER COMPANY **DAYTON,
OHIO**

Waggoner Answers a Letter

EDITOR'S NOTE.—C. E. Waggoner, Secy. Retail Credit Men of Wichita, Kans., recently wrote the following letter to the *Wichita Beacon*. Waggoner is always on the job.

"Dear Sir:

"In your paper of November 21st, you published the following article:

'ONE DOLLAR DOWN'

"Editor Beacon: Aren't our merchants funny? With all their credit associations, credit managers, and efficiency experts, they have finally evolved a credit system which works like this:

"In our town lives an average young business man, with a wife, a child, a home of his own, and a modest, steady income. He lived within his means and charged nothing. He nor his family bought nothing until they could afford it, and then wrote a check for what they got. They had most everything they wanted, but sometimes in order to avoid having creditors, they had a little more anticipation than is becoming nowadays.

"(Credit is a funny thing. If you use it too hard it is gone and if you don't use it at all you don't have any.)

"One day his wife went uptown to buy a coat. She couldn't have a fur coat, because she wasn't a poor working girl, but she wrote a check for the one she could afford, and then waited fifteen minutes while the check was O. K.'d. You see, she was unknown because she didn't have a charge account. Yet most any of the dollar-down working girls could have made a purchase and been modeling it on the thoroughfare in less time than it takes a cash-paying business man's wife to have a check O. K.'d.

"The result was that this young family opened charge accounts to save time and trouble. Before, when they paid for groceries, they were just drop-in customers. Now, when they get a treat they pay their bills at the end of the month.

"Somehow or other, the merchants have reversed the order. He gains recognition who owes the biggest bills the most places. This gives him a prestige the cash-paying man may never attain. The philosophy of the credit association seems to be some-

thing like: 'Live within your means—pay a dollar down and wear it out as you pay for it.'

"Ready, charge! Credit, credit, who's got the credit? Now who gets credit for this?

"—Miss ———, Wichita."

"If it meets with your approval I would be pleased to have you publish this article in order that the public may understand the purpose and service rendered by Credit Associations throughout the country to their members (the retail firms) and their customers. It is not the policy of the Associations or legitimate retailers to render special favors and additional service in extending credit to an individual who owes the largest bills among the most firms. This does not give him prestige over cash customers or customers who have enjoyed charge accounts and have established a credit record for paying their obligations when due.

"Probably the reason that the cash-paying business man's wife had to wait fifteen minutes before her check was O. K.'d, was due to the fact that the firm cashing the check realized that more than one hundred million dollars are lost to American business yearly by accepting manipulated checks, therefore, took a reasonable length of time to establish the identity of the party presenting same.

"The Retail Credit Men's National Association in convention assembled, in Los Angeles, August 10th, 1926, with 780 credit managers from thirty-six states present, passed the following resolution: That the Convention go on record as favoring installmentselling when, and only when, such selling is supervised by a competent credit manager, and the life of the contract be not to extend to the point where depreciation equals the value of the article purchased.

"With 825 credit reporting bureaus throughout the country, which have access through the National organization to the records of fifty million people who have had charge accounts in the United States, and seven million records in England, it can readily be seen why a poor working girl who has established a record of paying her

bills when due, is entitled and receives the same service and consideration when granted a charge account, as no doubt the cash-paying business man's wife is now enjoying."

THE 1927 PROSPECT

There will be no panic in 1927, but 1927 will show noticeably slower business than 1926.

Nineteen-twenty-seven will be to 1926 what 1924 was to 1923.

There will be no real market in stocks.

Profits may contract, but there will be no general shrinkage of dividends.

There will be no serious unemployment situation.

The slow period will come to an end before the close of 1927, and business expansion will be resumed.

No real panic or depression, such as usually follows a period of sustained prosperity is in sight, because a "restrained and prudent" attitude has marked this period instead of the usual enthusiasm and recklessness in which expansion intervals generally result.

This is the forecast for 1927 business conditions as presented by Colonel Leonard P. Ayres, Vice-President of the Cleveland Trust Company, economist and World-War statistician for the United States Government.

Your Collections

... in ...

DETROIT

Will receive the best attention
possible if sent to

The Merchants Credit Bureau, Inc.

The largest collection department
in the city devoted exclusively to
RETAIL ACCOUNTS.

The benefits accruing in placing
your accounts with an organization
owned by the merchants, for their
protection, are self-evident.

Rates Reasonable
Safety Assured

Address—602 Barlum Bldg.

Utica, New York, Doings in 1926

By L. A. BENNER, Secretary-Treasurer, Retail Credit Men's Association, Utica, N. Y.

THINKING a few of our good friends who will read this article might be interested in the above caption, we would like to relate to you a few of the doings during the past year of the R. C. M. A. in the Northern part of the Empire State.

Under the guidance of our able President, Mr. Michael F. Kelly, of the firm of Lynch & Kelly, the Utica Association has grown from fifty-four members to a present membership of one hundred fifty, a gain of practically three hundred per cent. This was only done by constructive work, and repeated membership campaigns, so that now we have merchants who are not members, calling up the Secretary for application blanks. (This speaks for itself.)

Most able speakers have been provided to talk on such subjects as the following: "The History of Credit," "The Importance of Credit Bureau Clearances," "Handling Installment Credits," "Chattel Mortgages and Conditional Sales Contracts," "The Federal Reserve System and Its Relation to Retail Credits," "How a Credit Department is Run in a Large Department Store" by our great friend Justin H. Edgerton, of McCrearys, N. Y. We just could not help mentioning his name as he always draws a packed house, whether it be in Bean Town, Carnegie's Hall, or Utica, N. Y. We might add the fair sex will come miles to hear him.

In addition to the above we have been fortunate in having as speakers during the past year, the head of the oldest department store in this city, a most prominent District Attorney and a member of the bar, who explained in detail the up-to-date workings of the modern bankruptcy law, as well as a history of the act.

We were indeed also lucky in being able to have a joint meeting with the Credit Bureau Managers of New York State this past October, the credit men and women as well as guests from a radius of fifty miles were most fortunate to be able to listen to those men talk at our late monthly meeting.

The adoption of an association letter-head and the furnishing samples of the same with three suggested form

letters to be used in the collection of delinquent accounts has also done an immense lot of good for all who have used them.

Another feature adopted by the Utica Association during this year is the centralizing and making uniform by furnishing appropriate blanks as well as return addressed envelopes to the members for reporting each month, slow pays, skips and skips located, as well as other derogatory information, which is the nucleus of a monthly confidential list in code containing from one hundred fifty to five hundred names and addresses of delinquent debtors, etc., same being furnished to each member gratis in mimeographed form at each meeting.

The sending of at least ten delegates to every annual State Conference, who on their return impart to the other members what they have learned at these conferences.

While speaking of State Conferences our friend "Marx" in Auburn, N. Y., should have an article for your next issue on the Fourth Annual State Conference to be held in that city in February, 1927. A great many credit men will be sent to Auburn in 1927.

We would like to read other articles of this nature each month from other associations; their ideas would help us as well as many others.

We extend to all our fellow members the sincere wish for a Happy and Successful New Year.

Retail and Wholesale Credit Men to Co-operate

A committee of seventeen representatives of the National Association of Credit Men and the Retail Credit Men's National Association met at the Hotel Commodore, New York, November 24th, and made plans whereby the two associations would work in harmony in all matters affecting both retail and wholesale credits.

Co-operation on legislative matter was one of the activities receiving much attention and it was voted to support the passage of the McFadden-Pepper Bill, without the Hull amendment.

It was also voted to recommend the passage of the Federal Judicial Salary Bill, providing an increase in salary of Federal Judges.

Both associations at their conventions passed resolutions endorsing the Federal Reserve System and recommending the extension of the charter.

Other features suggested were:

Co-operation on bankruptcy affairs and an interest in the administration of the bankruptcy courts.

Joint meetings of wholesale and retail local associations.

Educational work in colleges, schools and clubs, with a view to teaching respect for credit and its advantages to the public.

Mr. J. R. Hewitt, Credit Manager of The Hub, Baltimore, and Vice-President of the Retail Credit Men's National Association, is Chairman of the retail group of this committee, and Mr. J. H. Tregoe, Executive Manager of the National Association of Credit Men, is head of the wholesale group.

The Daily Snoozer

PUBLISHED SEMI-OCCASIONALLY

At the Annual Conventions and Other Occasions Whenever Editorial Symptoms Develop

It's the size of a dime
but worth a million



Criticisms Solicited
(For Waste Basket)

Editors Bonded by Fellowship

SEVENTH SNORE OF THE SIXTH YEAR

JANUARY, 1927

HALF SCENT

My wife says we are going to Providence next August.

She has spoken of the subject before, but the convincing argument was the photos of those handsome credit grantors in the December CREDIT WORLD.

If it is true that "gentlemen prefer blondes," she is going to have a swell time. And when she has a good time that means "us."

And now good old St. Louis is calling for attendance to the Mississippi Valley Conference in February.

The little insignificant local stream that meanders through our city finally empties into the old Mississippi, so we are eligible.

It is necessary from time to time to brush up a bit and see what is going on and how the other fellow progresses.

I have never yet attended one of those meetings without absorbing practical suggestions for increased personal efficiency.

And increased personal efficiency just naturally produces a fatter envelope on pay day.

So it's "Howdy St. Louis" in February, and Providence next August.

Speaking of New England—Nelson Street advises positively that the Pig Woman's mule was equipped with a tail light.

We notice that out where the West begins, presumably meaning the meridian near Dick Hewitt's home, that a man has invented a contraption that will pick up all of the conversation

within a mile of the machine. If true, credit granting will, in the future, be on a different basis.

Fursman of Lawrence, Kansas, advises that the garages in his State are assuming this attitude, "If you buy tires from a mail order house, go to the post-office for your free air and water."

Gilfillan of Minneapolis, even if he is considered the father of the National Association, does not allow anything to get past his observation. He notices that the Minneapolis girls have started using phosphorescent lip sticks. On inquiry one of his stenographers advises that "it helps the boys to get the range during night practices."

Joe Heller, son of our genial President, is attending the University of Illinois. Recently E. B. received a telegram from Joe stating, "No mon, no fun, your son." E. B.'s reply was, "Too bad, how sad, your dad."

KANSAS CITY GOSSIP

At the recent Christmas party of the Associated Retail Credit Men of Kansas City, Mr. Joseph Jedlicka of Duff & Repp Furniture Co., and Mr. H. J. Burris of Woolf Brothers "passed the buck" on one another as to who was the "father" of the Kansas City Association. Jedlicka won the decision, however, when he was presented with a Christmas package containing a bunch of safety pins.

The same meeting resulted in Miss Phylis Wyne of the Coal Credit Bureau inviting all "the old tops" to take a "spin" with her when she received a mechanical top.

President Arthur P. Lovett of Hettinger Bros. Mfg. Co., received as a

present, a French harp. That was the nearest he came to getting the "bagpipe" he grew up behind.

And speaking of presents, H. J. Burris wants to know who sent him that hair brush, admitting that most of the presents exchanged caused considerable mirth and fun, but doubting the advisability of disturbing the "high polish" his "dome" has taken on in recent years by scratching it with a hard bristle brush.

Wade L. Laning, a Past President, and one of our leading coal men, received a large package in which was stored a toy balloon. Much to Laning's surprise the balloon was not filled with "smoke."

Mr. A. H. Harrison, of Diamond Brothers, led the singing and forced upon the membership this parody on "I've Been Working on the Railroad."

"I've been working on the ledgers
All the live long day,
I've been working on the statements
Just to pass the time away.
Don't you hear the whistle blowing,
Rise up so early in the morn;
Don't you hear the boss a'calling,
Credit man get the coin."

And that was the only song on the list he didn't know how to lead; although they do say he is quite a musician in addition to being a good credit man.

YOKEL TRUESDALE

You remember, of course, that on the special train from St. Louis to Los Angeles last year, a Yokel's Club was formed. Membership qualifications confined to "bone heads" of the group. Truesdale at that time was unable to qualify, but now should be voted chief yokel. His particular "bone" was a special notice to Secretaries advising

of "the arrest of Edward Johnson, age 27, who says that he has been a check forger for the last 30 years and has never been arrested previously."

Up-to-date credit managers now demand early training on the part of crooks.

C. H. Pratt, Association Manager at Anadarko, Oklahoma, supplies another argument for declining the house canvasser appeal. Recently a silk hose peddler called on Pratt. Even though he was unsuccessful in the sale, he left with C. H. an excellent case of smallpox. Pratt feels that it is bad enough to have the disease without being compelled to spend time in a detention hospital with a silk hose peddler. A local health officer is now endeavoring to formulate a fumigation ordinance.

We will wager the ears of Mr. E. C. Riegel, the New York business expert, who recently stated the retail credit man was a detriment to business, burned when the leading credit men of San Francisco commented on his views at their December meeting. He surely would have changed his opinion had he been present.

Frank Batty, Credit Manager of H. Liebes and Company, has been again elected President of the Associated Retail Credit Men of San Francisco. The members refused to consider anyone else.

J. Henry Kling, Secretary-Manager of the Bismarck Credit Bureau, Bismarck, North Dakota, has just sent eight new members to the National. Kling has developed a community credit policy in his city through persistent educational articles in his bulletins.

The National office has received an inquiry from Calcutta, India, asking about credit organization and how to become a member. As we now have members in London, Paris, Cuba, Hawaii, and Jugo-Slavia, it looks like an International Association soon.

If the manner in which Joel Pincus and his associates of the Providence Convention Committee have started out is a sample of what we can expect next August, this will be our greatest convention.

That peppery young man Chaffee of Detroit, State Chairman for Michigan, insists no other State can beat him on new members.

That live wire, J. H. Van De Water of Los Angeles, recently gave expression to the following:

"Once in a while a riot is good for us, but we should always be exceedingly diplomatic about approaching a riot. It should be managed so that after it is over no one can single us out as starting something we could not finish."

Van usually finishes what he starts.

A Good Letter for Inactive Accounts



IN MEMORIAM

We regret to announce the death of Julian L. White, Credit Manager of Rosenthal's, Baltimore. Mr. White served two terms as State Chairman and was an enthusiastic worker, holding the record for having secured more members during 1915 than any individual in the Association.

"The Southern Gateway of New England"



AUGUST 8 TO 12, 1927

PROVIDENCE

PROLOGUE

THE historical, recreational and industrial richness of Rhode Island has long given the City of Providence a firm hold on the affections of the people of the United States and placed it high in the list of the most charming cities in the world.

Founded by Roger Williams, in 1636, as a "shelter for persons Distressed for Conscience" it established a principle of freedom of thought in intellectual and "religious concerns" that proved to be one of the greatest factors in influencing the course of human progress; it well deserves to be revered as a national shrine — the "Cradle of Soul Liberty."

Built on seven hills, at the head of Narragansett Bay, in the midst of primeval forests, lakes, rivers, and water-falls, it early attracted mills, factories, ship-yards and sailing vessels and made it one of the greatest industrial cities of the colonies, and that early prestige has been maintained and broadened until today it embraces manufacturing establishments, the largest in the world, a population the largest per square mile of any of the

states, and the largest per capita wealth.

As the visitor steps from Union Station into a beautiful park, right in the heart of the city, he finds himself in the very center of a "mosaic of interesting places." In one direction, Brown and Sharpe Manufacturing Company, Nicholson File, American Screw Co., General Fire Extinguisher Co., B. B. and R. Knight, Inc. (Fruit-of-the-Loom), Ostby and Barton Co., makers of rings, Rumford Chemical Co., Gorham Mfg. Co., Crompton and Knowles Loom Works, Manville Jenckes Co., Universal Winding Co., Davol Rubber Co., American Woolen Co., U. S. Finishing Co., Providence D. B. and C. Co., Atlantic Mills, U. S. Rubber Co., all pre-eminent among world manufacturers; in another direction, Roger Williams' Park, Lincoln Woods, Squantum and Pomham Clubs with their delectable clambakes, the Rhode Island Country Club and Wannamoisett, Agawam and Metacomet Clubs, named in honor of the great Indian Sachems who once ruled these domains but used by the devotees of golf and tennis, and Newport, with

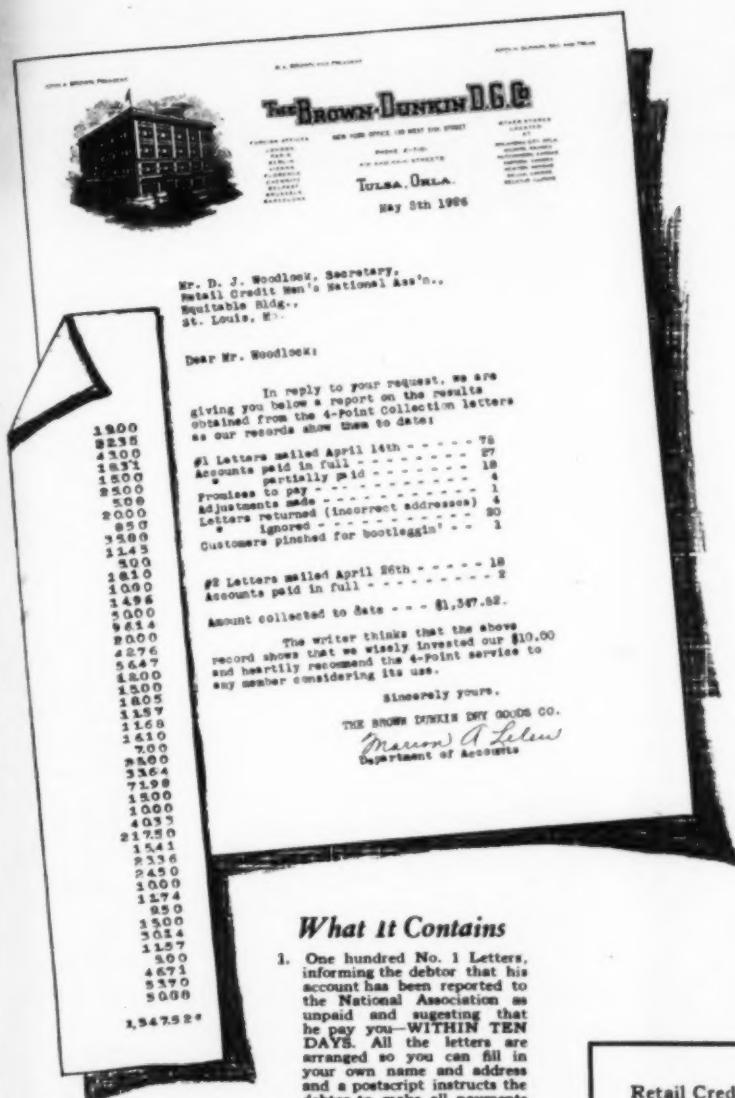
its magnificent Summer estates of the rich, Narragansett Pier, Jamestown, Watch Hill, Block Island, bordering both sides of Narragansett Bay and running along the shore of the Atlantic Ocean—all exceptional opportunities for recreation and vacation; then, in another direction, but close by, Plymouth, Mass., the landing-place of the Pilgrims, Boston, with its Faneuil Hall and Bunker Hill, Harvard, Cambridge, Lexington and Concord where "the shot was fired that was heard around the world"; and Salem, Gloucester and Provincetown, Harvard, Yale, Brown, Dartmouth, Wellesley Universities, the Massachusetts Institute of Technology, and the Green Mountains, the White Mountains, the Berkshires, the "murmuring pines and the hemlocks," the "breaking waves on a rock-bound coast"—industry—history—recreation—all within the environs of Providence, the second city of New England and Capital of the smallest State of the Union—the State of Rhode Island and Providence Plantations—it is well worth a pilgrimage for the Retail Credit Managers in August, 1927.

Providence Retail Credit Managers' Association

PROVIDENCE

"The Southern Gateway of New England"

\$1347.52 Collected From 75 Accounts!



What It Contains

- One hundred No. 1 Letters, informing the debtor that his account has been reported to the National Association as unpaid and suggesting that he pay you—**WITHIN TEN DAYS**. All the letters are arranged so you can fill in your own name and address and a postscript instructs the debtor to make all payments **DIRECT TO YOU**.
- Seventy-five No. 2 Letters. This letter demands immediate action from your debtor.
- Fifty No. 3 Letters. No. 3 is a definite final notice that unless your account is paid in ten days, our attorneys will take action to collect your account.
- Fifty Collection Forwarding Blanks. On these blanks you are to send to us (OR TO YOUR LOCAL BUREAU IF YOU PREFER) detailed information on such accounts as the letters fail to collect. These we immediately forward to our bureau in your locality (if we have one) or to our nearest bonded attorney who will make collection on the usual collection fee basis.

Other Material

A complete instruction sheet is included with every system. Also, a valuable appendix, chock-full of important information, "Things the Credit Man Should Know." A complete digest of the laws of the various states, covering bankruptcy, garnishments, mortgages, judgments, exemptions, etc.

A convenient, easily accessible display of all forms commonly used in credit and collection procedure—including standard application blanks, lease or conditional sale contracts, chattel mortgages, bankruptcy, "proof of debt" forms, etc.

A New Record For the 4-Point System

Here's a letter that, with its accompanying adding machine slip, tells the story of 4-Point effectiveness in terms of dollars and cents: Twenty-seven out of seventy-five accounts—NEARLY FIFTY PER CENT—paid in full; eighteen more made partial payments; four more made promises to pay; and the total amount collected (see letter) was \$1,347.52!

Successful Everywhere

This is not by any means an exceptional case. We have on file in the National Office letters from every part of the Country giving concrete evidence of the astounding collecting power of the 4-Point System. Right in your own state—probably in your own city—we can point to a successful user.

That's Why We Can Say: Try It At Our Risk

Buy it. Use it—according to instructions—on 100 old accounts. If it doesn't collect at least \$10.00 for you, we'll refund the purchase price!

Price \$10.00 Postpaid

Order It Now—You Can't Lose

P. S. During the six months we have been making this offer, not a single System has been returned.

**Retail Credit Men's
National Association**
Equitable Bldg. St. Louis

Use this coupon

Retail Credit Men's National Ass'n
Equitable Building, St. Louis, Mo.

Enter my order for one complete R. C. M. N. A. 4-Point Collection System. Send bill for \$10.00 to the address below.

I agree to use the system according to instruction—on 100 accounts. If it fails to collect at least \$10.00 you are to refund purchase price.

Name _____

Title _____

Firm Name _____

Street Address _____

City _____ State _____

The Secretary's Page

(Continued from page 14)

THRIFT MEANS LIVING WELL

The people of the United States should resent the oft heard statement that they are less thrifty than other national peoples, the French for example. They should resent it because it is an obvious untruth.

If America were not a thrifty country, in fact first in thrift, would the lives of half of its population be insured in the amount of \$64,000,000,000? In this kind of thrift and foresight this country has no equal. There was thrift behind every dollar of the millions paid in life insurance premiums in the last year and behind every dollar of the \$1,150,000,000 paid to life insurance beneficiaries during the same period.

With half the population insured it means that not only husbands and fathers carry insurance on their lives for the protection of their loved ones. The American policy holder includes unmarried men and women and college men and women. These latter have only one reason for insuring their lives, and that is thrift. The husband and parent have the additional reason of providing for their wives and children in the emergency of their own death. Not every American is saving for the future, but all Americans have the inherent desire to save and will when feasible.

True, the French and Belgian peasants can get more out of an acre of land than the average American gardener, but necessity is the mother of invention and the scarcity of land makes agricultural thrift a necessity in Europe. The United States feels a need for more farmers than for more farm land. It is also true that the average American is sufficiently thrifty to get more of the necessities and luxuries of life than any of his European or Asiatic brothers. National thrift explains the high living standards and high per capita wealth in the United States.

MISSOURI HARDWARE DEALERS MEET

The Hardware Dealers of Missouri will hold their Annual Convention in St. Louis, January 24th.

E. B. Heller, President of the Retail Credit Men's National Association, will deliver an address on "Welding the Weakest Link."

SHEROD IN CHARGE OF COLLECTIONS IN CLEVELAND



After several years' study on the part of Cleveland store executives the conclusion was reached that Cleveland needed something to more thoroughly perform the task of protecting its credit bureau members. As a result this "something" was organized and on July 15th the Collection Department of the Cleveland Retail Credit Men's Company started to operate.

The project, willingly underwritten by the larger stores and under the supervision of Manager Frank E. Sherod, has met with a marked degree of success. Within three months following its inception the department was and is now paying its own way.

Accounts to the extent of approximately \$500,000 have been placed for collection. Mr. Sherod, who was formerly collection manager for the May Company, and more recently of Steubenville, Ohio, has had several years' experience in the retail field. He estimates that within a year the department will be one of the largest of its kind in the country.

Cleveland operates on the "no collection, no pay" basis and disbursements on collected accounts are made every thirty days. Another interesting feature of the bureau is the Insurance Bulletin, which is issued at regular intervals to participating members and contains the names of persons whose accounts have been received for collection.

These accounts are also noted in the bureau files for the protection of inquiring members. Service is the keynote, large and small accounts receiving the same amount of attention.

The division operates a legal department in charge of J. Albert Lowell, attorney. His services to members are available not alone for collection purpose but on other matters where legal advice is so frequently required.

Progress of this addition to Cleveland's already efficient bureau is indeed gratifying to those directing the destinies of the organization. Two new membership solicitors have been employed, with the result that many new members, especially professional men and small establishments, have joined the association.

The Cleveland Association is 100% National in membership.

JANSSEN NOW SECRETARY RETAIL GROCERS NATIONAL ASSOCIATION

Mr. C. H. Janssen, Secretary of the St. Paul Retail Grocers Association, has been elected Secretary of the National Association of Retail Grocers to succeed Mr. H. C. Balsinger, of Kansas City, who resigned to embark in business for himself.

FRANK A. CATEN OF PITTSBURGH RETIRES

On November 1st, Mr. Frank A. Caten, owner of the Jones Mercantile Agency of Pittsburgh, sold his agency to the merchants of that city as the first step in the formation of a merchants-owned bureau.

Mr. Caten is known from coast to coast as one of the outstanding figures of retail credit reporting and the merchants of Pittsburgh had relied upon him for years as a source from which to obtain dependable credit information.

He was a charter member of the Retail Credit Men's National Association and always took a lively interest in its welfare. In September, 1917, he, with Colonel Franklin Blackstone, Hugo Baum and Henry Engel, organized the Retail Credit Men's Association of Pittsburgh, which is 100% National in membership. He was selected as Secretary and re-elected ten successive times.

The officers of the National Association and the thousands of his personal friends in our membership extend to Mr. Caten their wishes for his future success in whatever line of endeavor he may decide to follow.

(Additional items on page 25)

AUERBAUGH TELLS HOW HE MADE HIS WONDERFUL COLLECTION RECORD

EDITOR'S NOTE—Following is extract from a letter written by Joseph Auerbaugh, Credit Manager, Franklin Service Co., New York, telling how he handled collections at Bloomingdale, where he made an extraordinary record.

The collection results maintained were achieved by getting away from the mechanical routine collection methods in vogue at most stores, and also by avoiding the divorce of collections from credit work, such as is also the general plan among other stores.

Towards the latter end, a skeleton ledger history for each account was maintained in the Credit Department and collections therefrom made by the credit men. Each skeleton ledger card showed a six-year record. Thereby the past record of the account, its worth, collection experience, the position and standing of the customer, were all known and collection steps could be applied accordingly.

A collection plan was formulated in advance, based on the (a) standing of the customer, (b) worth of the account, (c) previous payment habit, and (d) present indebtedness. A carefully written series of letters was supplied to be used on the different groups of customers covered under the foregoing plan.

The customer with a prompt-paid record was permitted to run into the second or even the third month without dunning. After that settlement, however, that account was diaried ahead for follow-up within the month, in the event that payment was not received, and this practice followed until the customer was brought back into the prompt-paid fold.

A new account was always diaried ahead for follow-up within the month in which the bill was due, and this practice continued until the prompt-paid habit was definitely established. Actual results achieved were not based upon "close" collections, but rather on discriminating collections, which while following a general plan enabled preferred attention to be given to those accounts which needed it.

Nobody ever does exactly as he pleases, but some men get a good deal of pleasure in bragging about how they do it. —Kokomo Dispatch.

PRESIDENT HELLER TO ADDRESS PITTSBURGH ASSOCIATION

E. B. Heller, President of the Retail Credit Men's National Association, will address the Associated Retail Credit Men of Pittsburgh at their first meeting of 1927, January 10. Several hundred members are expected to attend.

BALTIMORE ASSOCIATION STUDY CHARACTER READING

The Retail Credit Men's Association of Baltimore have arranged a series of twelve lectures on character reading by Mr. Evert C. Palmer, an expert in this study. Twelve two-hour lessons, seven text books and charts make up the course furnished to members at a nominal cost.

Industry, economy, honesty and kindness form a quartette of virtues that will never be improved upon. —James Oliver.

In the old days, if anybody missed a stage coach, he was contented to wait a day or two for the next. Now a man lets out a howl if he misses one section of a revolving door.

CLEVELAND COLLECTIONS are SOLICITED

DEPARTMENT
owned and controlled by representative retail establishments of City.

Association will accept, and solicits, all forwarded claims for collection.

Address

The Cleveland Retail Credit Men's Company

405 Chamber of Commerce Building • Cleveland, Ohio

THE TRI-STATE CONFERENCE CINCINNATI, OHIO, FEB. 16-17

Members in Ohio, Indiana and Michigan—the Tri-State Conference District—are requested to send in their reservations at once, so Committee can make all arrangements.

Use this coupon.

HOTEL REGISTRATION COUPON FOR

Tri-State Conference of Retail Credit Grantors of Ohio, Indiana and Michigan, to be held in Cincinnati, Ohio, February 16, 17, 1927.

**HOTEL GIBSON, Cincinnati
Conference Headquarters**

Please reserve for the undersigned:

- Court room with shower or tub bath, one person, \$3.00, \$3.50, \$4.00 and \$4.50 per day.
- Same as above, two persons, \$5.00, \$6.00 and \$6.50 per day.
- Court room with combination tub and shower bath, circulating ice water, one person, \$3.50 and \$4.50 per day.
- Same as above, two persons, \$5.50 and \$6.50 per day.

(Every room in the Hotel Gibson has a bath).

Reservation for one or both days (please specify). Dates _____

Name _____ Address _____

Representing _____

January Is Collection Time

Why not use the Collection Helps provided by your Association?



Our Four-Point Collection Letters

A Loose-Leaf Book of three appealing letters written on the stationery of the National Association. A binder that can be refilled at small cost when necessary. Two thousand systems now in use are bringing returns. Why pay large sums for questionable collection systems when your own Association furnishes this excellent and result-producing system for \$10.00? Exclusively for members of the Retail Credit Men's National Association. Order yours today. Give it a fair trial. You will be surprised.

Our Educational Inserts

A series of twelve attractive inserts for enclosure with monthly statements. They have a dignified appeal and promote prompt payments.
Two dollars per thousand.

Our Collection Stickers

For use on statements. Carefully worded appeals. Gummed for attaching to statements. Six different forms.
Two dollars per thousand.

Our Tracing Service

Through a novel system we locate thousands of missing debtors. Registration fee, ten cents. When debtor is located, a charge of \$1.50.

Our Collection Forwarding Department

If you want your claims placed in hands of a dependable (bonded) collector, send them to us for forwarding. No charge for this service.

Retail Credit Men's National Association
ST. LOUIS, MISSOURI

Vacation All Year?

It Can Be Done, Says Dr. C. H. Watson, Medical Director of the A. T. & T. Co.

THE natural human reaction at the close of a vacation is to wish for its prolongation. People often are anxious and eager to get back to work. They are glad they have a job and that they are able to do it.

some work about the house and yard. The ashes and the old furnace have to be cared for, too, but you need a little more of that care-free, irresponsibility that made your vacation so profitable.

artificial covering for the body beyond a few protective and necessary encumbrances. It is only for the past few thousand years that we have been covering up our skin and the tops of our heads with articles of clothing and physical means of adornment. Thereby we keep out the good sunlight and the air that made one of the most important of our body systems, i. e., the surface of the skin, work to its fullest extent. We cannot go back a hundred thousand years and emulate our progenitors of the ancient forests and plains. But we can take fuller advantage of the fresh air and sunlight available outside of the four walls of the house with its windows of glass.

Your vacation should teach you to play. The ever active minds of children and of animals are kept alert through play. We grow up fast and pass the period of play too soon. We become sedate and serious and overcome by our own importance and burdened with the trials of existence.

Play during those periods of week-end and daily vacation. It does not always have to be childish. There are many things that older people can do.



But away back in their mind is the thought, "How I wish I could stay away longer."

As a matter of fact, if we compute our working time, we find that there is quite an opportunity in each day of the year, and in certain days collectively, for a continuation of many of the things that made the vacation so desirable. During the time that you were away, if you did the proper thing, you put out of your mind practically everything related to the business. You lived a care-free, more or less irresponsible life. On your return your energy was renewed because of a very natural and wholesome change. It is this renewal of energy that you can keep up throughout the year.

When you leave the office at the end of each day and at the end of each week, forget as far as possible that you ever worked for the Telephone Company. Remember that in the short week-end or day-end, you can relax and carry into effect not only physical play and exercise, but something to feed the mind.

I urge that most of this day-to-day and week-end vacation time be spent in the out-of-doors. It is all right to build your new radio assembly, to do

Don't forget that in the vicinity of your town there surely are places where you can go with a lunch basket, a fishing rod, a bag of golf clubs, and later in the year, a pair of skates or snowshoes, and get some of that entire



change we are talking of at the same time you are getting fresh air and sunlight.

The human race lived for a great many thousand years without any

It is imperative that you find some field of endeavor in this line and make use of it. It will keep you young and more efficient and put old age farther and farther in the background.

Looking Backward

The following is an article from the Minneapolis Morning Tribune of August 15, 1913

MINNEAPOLIS CREDIT MEN RANK HIGH IN ASSOCIATION

Business of National Body to Have This City as Center for Year.

Twin City Members Honored by Places on Most Important Committees.

Twin City retail credit men figured prominently in the convention of the Retail Credit Men's National Association, which was held in Rochester,

Aug. 19 to 21. The Minneapolis delegation has returned and two of its members brought with them the principal offices in the association, while others have important committee assignments for next year. The 1914 convention of the association held its meeting simultaneously with that of the mercantile agency men and there were several joint sessions.

The work of the credit men's association will, for the next year, be managed practically from Minneapolis. S. L. Gilfillan, credit manager for the

L. S. Donaldson company, was re-elected president, and O. R. Parker of Minneapolis, manager of the Credit Rating Association, was renamed secretary. The convention was, as usual, devoted to the discussion of technical matters, such as gathering retail credit reports, cost systems, credit administration methods, and other matters.

Mr. Parker is also a member of the advisory board of that organization. The place of the next convention for the credit men will be selected later by the executive officers.

S. E. Blandford of Boston was named vice president and F. T. Leonard of Denver, treasurer. Minnesota members of the board of council are C. J. Allen, credit manager for the Young-Quinlan company, and Charles J. Nolan of Duluth. Mr. Allen was assigned the chairmanship of the committees on auditing and co-operation, with a membership in the committee on forms and insignia. P. M. Hughes of Minneapolis was made chairman of the publicity committee. Mr. Parker was made a member of the resolutions committee, F. H. Koch of St. Paul is on the membership committee, and C. M. Brack of St. Paul is on the committee on credit department methods.



A Handy Binder for Your Credit Worlds

Is it a speech from the last Convention you want to locate?—Or an article in a last year's issue of THE CREDIT WORLD? A quick turn through your handy CREDIT WORLD BINDER and you've got it—in an instant.

This handy binder not only protects your magazines, and keeps them clean and neat—but it quickly pays for itself in the time it saves.

Convert your stray copies of THE CREDIT WORLD into a convenient credit reference library—with one of these handy binders.

A dollar bill brings one to your desk.

Retail Credit Men's National Association
Equitable Building
SAINT LOUIS

INSURING COLLECTIONS

An eastern furniture dealer employs an adaptation of an idea commonly used by automobile and radio dealers to insure the collection of installment payments. He maintains a force of repairmen, polishers, and cabinet-makers who take care of any complaint coming from customers.

This merchant has found that in the effort to keep down losses and collection costs, it pays to see that the customer gets his money's worth and that imperfections in the merchandise sold are taken care of. His service men are at the customer's call throughout the life of the time-payment contract. He attributes to this plan much of the credit for keeping losses below $\frac{1}{4}$ of 1% on \$2,000,000 of business a year, 70% of it transacted on a time basis.

WICHITA WINS HONORS

The Retail Credit Men's Association of Wichita has the honor of being the first to come into the National fold 100% for 1927. On January 10th, the National office received through the Western Union Telegraph Company a wire remittance of \$510.00, covering 102 new members, which added to the former membership gives Wichita almost 200 members. Every retailer receiving service from the merchants-owned Credit Bureau of Wichita is automatically made a member of both the National and local Association.

Since the organization of the merchant-owned Bureau of Wichita about a year ago, that city has become thoroughly organized along the lines of community credit policy and co-operation, due largely to the aggressiveness of Mr. C. E. Waggoner, manager of the Credit Bureau, and a live board of directors headed by Roy J. Puckett of the Allen W. Hinkel Company, a director of the Retail Credit Men's National Association.

Slow-pay customers are not always born; sometimes they are made by lax collection methods. If failure to remit on due date is not met with a polite but firm reminder, the customer can assume that the creditor does not care whether he pays promptly or not. If nothing happens the next time he delays, he may deliberately embark upon a policy of slow payment.

Leniency in not calling attention to delay in payments is merely building a reputation for being "easy." The creditor is not winning undying gratitude, but is making a slow-pay customer. He might just as well have written: "Your payment due today was not received. Never mind, pay any old time it is convenient."

J. A. Williams, Secretary of the Cincinnati Association, has sent in 28 new members and expects to secure 100 more as a result of enthusiasm aroused by the holding of the Tri-State Conference in that city.

REAL COMEDY

There called upon a famous theatrical manager an inspiring playwright with a melodrama he had written. The young man may have been gifted in other respects, but he stammered terribly.

Being sensitive, he rarely mentioned his affliction. Indeed, he had no need to do so—as

soon as he opened his mouth it advertised itself.

He came now by appointment to see the great manager. As he entered the room, the theatrical magnate said, abruptly:

"No need for introductions—I know who you are. You know who I am. You say you've got a play. All right, I'm a busy man. Sit down there and read it to me."

The young dramatist obeyed. He made

heavy going of it, but eventually he finished.

"I'll take your play," said the manager. He pressed a button and his secretary entered.

"Fix up a contract for this young fellow," commanded the chief. "I'm going to take his play. It isn't much good, but it ought to make an audience laugh their heads off—all the characters stutter."

—The Office Cat.

PROGRAMME NORTH CENTRAL CONFERENCE OF *Retail Credit Men's National Association* *At Hibbing, Minnesota, Memorial Building*

FEBRUARY 7 & 8, 1927

MONDAY, FEBRUARY 7, 1927

9:00 A. M.	Music.
9:15 A. M.	Invocation.
9:20 A. M.	Welcome to Hibbing. <i>Winfield Remington, President Commercial Club.</i>
9:30 A. M.	Appointment of Committees— Resolutions Committee Administrative Committee Nominating Committee
9:40 A. M.	"The Credit Man as a Constructive Force." <i>Fred Thompson, Credit Manager, Minneapolis Journal.</i>
10:00 A. M.	Demonstration of Opening an Account. <i>Retail Credit Men's Association of St. Paul.</i>
10:30 A. M.	"The National Association." <i>David Woodlock, Secretary-Manager, R. C. M. N. A.</i>
11:00 A. M.	"Advantages of Clearing References Through the Bureau." <i>A. C. Armstrong, Secretary-Manager, Morris Plan Bank, Duluth.</i>
11:20 A. M.	"Methods of Collection—Telephone, Letter, Outside Collector." <i>H. G. Clemens, Credit Manager, Golden Rule, St. Paul.</i>
11:55 A. M.	"Contract Collections." <i>J. A. Motis, Minnesota Power & Light Co., Duluth, Minn.</i>
12:10 P. M.	Announcements.
12:15 P. M.	Noon Recess. <i>Luncheon as Guests of Hibbing Luncheon Clubs, at Androy Hotel.</i>
1:40 P. M.	Music.
1:50 P. M.	"Accounts to Attorney." (a) In favor of early turnover. <i>L. S. Gill, Credit Manager, Emporium, St. Paul.</i> (b) Opposed to early turnover. <i>Fred Koch, Credit Manager, Schuneman, Evans and Mannheimer Bros., St. Paul.</i>
2:20 P. M.	"What Credit Department Statistics Should Be Kept?" <i>Milton J. Solon, Credit Manager, Dayton Co., Minneapolis.</i>
2:35 P. M.	"Advertising as a Means to Prompt Payment." <i>Norman Kraft, Kraft Ad. Agency, Minneapolis.</i>
3:05 P. M.	"Possibilities of the North Central Division of the Retail Credit Men's National Association." <i>E. H. Schlitzus, Secretary of Olmstead Co., Business Men's Association, Rochester, Minnesota.</i>
3:25 P. M.	"Installment Selling." <i>A. J. McCartin, Credit Manager, Juster Bros., Minneapolis.</i>
3:45 P. M.	"Legal Phases of the Extension of Credit." <i>C. N. Olien, Attorney, Hibbing, Minn.</i>
4:05 P. M.	Legal Question Box.
4:20 P. M.	Reports of Committees, Legislative. <i>L. S. Gill, Credit Manager, Emporium, St. Paul.</i>
5:00 P. M.	Election of Officers.
6:10 P. M.	Adjournment. Banquet and Entertainment, Androy Hotel.

TUESDAY, FEBRUARY 8, 1927

9:00 A. M.	Music.
9:15 A. M.	Invocation.
9:20 A. M.	"The Merchant's View of the Credit Man's Job." <i>Edward L. King, Manager Lippman Dept Store, Hibbing.</i>
9:40 A. M.	Open Forum.
12:30 A. M.	Adjournment of Conference.
1:30 P. M.	Tour to Points of Interest in and About Hibbing.

BEST REASONS FOR MEMBERSHIP

"My best reasons for membership in the Credit Men's Association were the men with whom I foregathered around a table at each dinner. And that reminds me of a story. A mother sent her little girl, aged five, to school. At the end of two weeks she asked her, 'What do you like best at school?' The child replied, 'The little boy who sits next to me.' The mother was interested. 'What is his name?' was her next question. 'Oh,' said the modern five-year-old, 'It isn't always the same little boy.' It was not always the same men who sat next to me at the Credit Men's dinners, but those were always a source of information, entertainment and education to me, especially when one of them was a lady.

"The addresses are good, the discussions are better, the reports of committees are helpful.

"But it all boils down to the human contact. Just as at college we learned more from our associates than from the professors, so at Credit Men's dinners we assimilate more from our fellow-members than from our very best talent. And we have had some wonderfully good talent. But it is when someone is 'reminded of' an incident in his own life appropriate to the matter being talked over that we get real meat. A prepared talk covers so much and touches so little. It must from the very nature of things. But the man next you will tell you something that he would not "blate" out to the crowd and it may be worth a century's dues. So my reasons for never missing a Credit Men's dinner were also my Best Reasons for Membership: The men who sat at the table with me."

—A Member.

MORE ABOUT PROHIBITION

The classic simile of the session of Congress to date was credited to Senator Morris Shepherd, Democrat, of Texas; the prohibition champion in the Senate.

Relying to a speech of Senator Bruce, Democrat, of Maryland, in which Bruce excoriated prohibition for one hour and thirty-five minutes by the Senate clock, Shepherd said:

"The wets have about as much chance of repealing the prohibition law as a humming bird has of flying to Mars with the Washington monument tied to its tail."

If wrinkles must be written upon our brows, let them not be written upon the heart. The spirit should not grow old.—James A. Garfield.

THE MERCHANT'S DUTY TO HIS CUSTOMERS

By E. B. GALLAHER

Editor, Clover Business Service

Have you ever stopped to think that a merchant who grants credit to a customer also has a duty toward this customer after the sale is made?

The duty is to make the customer feel his obligation to settle his account promptly when due—and this obligation is just as great as is the obligation of the customer to pay.

Strange way to look at it, you may think, but, nevertheless, it is true.

When you allow a customer to break his promise to settle an account, and get away with it, you are helping morally to degrade this man—you are teaching him bad habits. If he can break his word to you, he naturally will try the same trick with others, and soon he becomes a deadbeat.

And who is responsible under such circumstances? Aren't you just as much at fault as your customer? Think it over.

But this is not even all—deadbeats are not alone injuring you and themselves, but, through your assistance, they are degrading their families who soon lose caste and position in the community. Have you ever thought of how much *you* are actually responsible in such cases?

And most of this comes from loose credit-granting, much of which could easily be avoided if you would only follow some simple rules, dictated by human psychology.

The ordinary individual pays his bills when he has the money in hand to do so—then the time to collect your account is on pay days.

When you grant credit, find out when your customer gets his pay, then

have a direct understanding and agreement with him that he will pay you on that particular day; then jot this down, and if he fails to meet his agreement, don't wait, but go for him immediately and keep after him every day until he does pay. The next time you sell him under similar conditions, you likely will get your money on time, as he knows you mean business.

Bad accounts are one of the worst curses in any business. The man who keeps his accounts collected is always a good credit risk, and rarely has trouble in getting all the credit he wants from his bank because they know that his receivables are just about 100 per cent good, and he is looked upon as a good business man, who is safe to do business with.

The fellow who does not keep his accounts properly collected, on the other hand, is always a borrower, and always wants to renew his paper, giving as his excuse that "collections are slow." As a matter of fact, in almost every case, it is not the collections that are slow, but it is he who is slow—an unreliable business man and a poor credit risk.

Another most important bit of human psychology is found in the fact that a debtor who is not regularly and persistently followed up soon changes his mental attitude towards his obligation—he first forgets that he owes the money and then begins to resent being reminded of it, finally declining to assume any moral obligation, and often contests the fact that he owes anything at all.

I am frank to say that the vast majority of the bad debts that are created are directly the fault of the merchant, and he has no one to blame but himself.

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